

REAL GNP STAGNATES IN FIRST HALF

Bonn lowers its growth estimates

BY STEWART FLEMING IN FRANKFURT

REAL GROSS national product in West Germany stagnated in the first half of 1982 and would have fallen sharply but for the boost to demand from foreign, particularly export business, the Federal Statistical Office reported yesterday.

This grim outlook, and the mounting unemployment accompanying it, has been an important factor behind recent moves by the Bundesbank to ease interest rates. Yesterday, the central bank intervened again to add DM 5.3bn of liquidity to the banking system.

The West German banks will benefit directly from access to cheaper liquidity. The injection of new funds may also help steady long-term bond rates ahead of tomorrow's decision on the nominal interest rate for the forthcoming Federal Post Office bond issue.

down of wage and import costs so far will not be sufficient to induce a turning point. The extent of the decline in domestic economic activity is evident from the figures from the Statistical Office.

Portugal expects higher growth

By Diana Smith in Lisbon

PORTUGAL'S gross domestic product should grow by 2.5-3 per cent this year, according to Sr Alberto Regueira, the Secretary of State for Planning.

Turkey enters third year of military rule this week

The sick man of Europe pays price for recovery

By METIN MUNIR IN ISTANBUL

TURKEY IS no longer the sick man of Europe. Under military rule, which entered its third year this week, the country that was tottering on the brink of civil war and economic collapse has undergone a remarkable transformation.

former Prime Ministers Ecevit and Mr Suleyman Demirel are expected to be banned from politics for at least five or six years.

stand for election as president in November when the referendum takes place. Widely popular, he is not likely to be challenged and is virtually certain to gain power for a seven-year term.

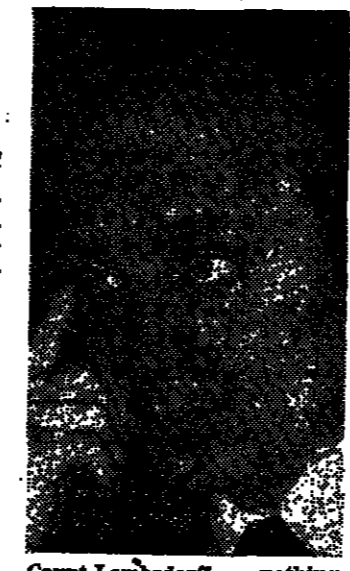
Lambsdorff sends sparks flying

BY JONATHAN CARR IN BONN

WHENEVER Count Otto Lambsdorff appears on the scene the sparks begin to fly. In his five years as West German Economics Minister, his abrasive tongue has spared almost no one—from the trade unions and the Social Democrats (SPD) to business bosses and conservative politicians.

law, later moved to banking and insurance—and finally entered the Bundestag in 1972. He quickly made a name for himself as the FDP economics spokesman and when his party colleague, Herr Hans Friderichs, stepped down as Economics Minister in 1977 to go to the Dresdner Bank, Count Lambsdorff was the natural successor.

ment (also as a proportion of GNP) declined. He proposes tax cuts for industry and advocates a slimming cure for the social security system—with reductions in unemployment pay, student grants, medical payments and so on.



Count Lambsdorff... nothing if not direct

This is a remarkable turnaround for a country considered to be suffering from severe economic crisis marked by sluggish investment, tight credit, a balance of payments deficit likely to exceed \$2bn this year, and a budget deficit equal to 11 per cent of gross domestic product. GDP is about \$20bn.

On his return from the IMF annual meeting in Toronto, Sr Salgueiro said restrictions must continue to allow Portugal to restore a better balance in its external relations and reduce the rate of foreign borrowing.

Terrorism has ended and the economy has shown impressive improvement. But thousands have been jailed, political activity is banned and the lot of low-income groups is no better.

The improvement in the economy has been similarly impressive. With substantial aid from the West and a rigorous stabilisation programme, bankruptcy has been averted and growth restored.

Gen Evren and his ruling National Security Council have announced a timetable for the restoration of Parliamentary rule. The new constitution, written by an appointed consultative assembly, will be submitted to referendum in November.

General Evren and his ruling National Security Council have announced a timetable for the restoration of Parliamentary rule. The new constitution, written by an appointed consultative assembly, will be submitted to referendum in November.

Advertisement for Ireland DM 100,000,000 9 1/2% Bearer Bonds of 1982/1987. Includes logos for Commerzbank, Deutsche Bank, Allied Irish Banks, and various international banks.

Advertisement for United Technologies Corporation \$200,000,000 Multiple-Currency Commercial Paper Facility. Includes Merrill Lynch International Bank, Inc. and Merrill Lynch Money Markets Inc.

Advertisement for FORTUNE magazine: 'What's everybody's No. 1 subject these days?' Includes a coupon for a subscription and a list of countries with prices.

Handwritten note: *Apr 1, 1982*

'Sabotage' claims aimed at senior French policemen

BY DAVID HOUSEGO IN PARIS

THE FRENCH public's confidence in its police forces is being sorely tested by fresh evidence of rifts within the police hierarchy and of disputes between ministers responsible for law and order issues.

The latest skirmish has emerged with accusations from the leader of the largest police union that senior members of the force were attempting to "sabotage" the Government.

M Maurice Deleplace, head of the pro-Socialist Independent Federation of Police Unions, cited as examples hostile demonstrations against M Gaston Defferre, the Minister of the Interior, allegedly instigated by senior police officers in Lyons, and whistling in which some police officers allegedly joined, against President Francois Mitterrand when he reviewed the Bastille Day parade.

His charges predictably were officially denied yesterday. But they illustrate the friction between many of the rank-and-file, anxious that a left-wing Government should democratise the police forces, and the senior commanders, many of whom

remain suspicious of a left-wing Government.

They come at an embarrassing time for the Government which is trying to reconcile tougher police powers in response to public anxiety over security issues with its liberal views on personal freedom.

Within the Cabinet, M Defferre is the main proponent of tougher police powers in the face of a revival of terrorist activity. He is opposed by M Robert Badinter, the Minister of Justice.

M Deleplace's controversial remarks were prompted partly by a dispute over the shooting of a girl in Paris by four policemen chasing a runaway car. The policemen say they shot in self-defence—a view supported publicly by M Defferre, apparently in an effort to maintain police morale. But the judiciary has charged the police with manslaughter.

M Defferre has been criticised by M Deleplace for having gone too far. It created a bad impression if the public believed the police were above the law.

MEP vote to delay Vredeling directive

By John Wyles in Strasbourg

THE PROGRESS of the European Commission's controversial "Vredeling directive" on employee consultation was held up in the European Parliament yesterday by a narrow decision to delay until next month voting on some 284 amendments.

The 168 to 161 vote deeply angered left-wingers who claimed it was a victory for the lobbyists on behalf of multinationals and other business organisations.

The Parliament may not in fact issue the draft directive it wants the EEC's Council of Ministers to adopt before November. This is because MEPs will be asked to delay final adoption until the Commission has given its opinion on the Parliament's amendments in November.

Yesterday's action was prompted largely by deep divisions among the 117 Christian Democrats crumpled in the European People's Party who have been unable to reach agreement on key amendments.

The party's plea for more time was carried with the help of Liberals and British Conservatives.

None of the amendments seeks to relax the draft directive and most speeches during the debate favoured the principle of imposing legal obligations on multinationals and groups of companies in the EEC to consult and inform their employees.

There were clear differences between and within parties on some key issues. Some of the most important include the range of information companies must provide their employees, the opportunities for workers to delay management decisions and their rights to consultation with the decision-making centre in a company, even if it is located outside the EEC.

These differences prompted Mr Ivor Richard, the Social Affairs Commissioner, to appeal for a "sensible contribution" from the Parliament.

He warned the proposal would be "killed" in the Council of Ministers if there was not a large measure of consensus between the two sides of industry.

He balanced his dislike of imposing legal demands and possible sanctions on the headquarters of companies outside the EEC—the so-called extrajurisdiction provisions of the draft—with the assertion that "people who are affected by decisions should have the right to be consulted by the people who are taking them, if they are taken at a subsidiary or at a different level."

One Western banker calls the veteran Mr Wolosyn "the true commercial banker of Poland," a high accolade from one banker to another. But Mr Krzak has carried the political responsibility for the tricky negotiations, not only with the Western banks themselves but also with his peers in Warsaw.

Italy prepares for Gelli extradition

BY RUFERT CORNWELL IN ROME

ITALIAN Justice Ministry officials were confident yesterday of having the document for the formal extradition of Sig Licio Gelli ready by the end of this week. But it is not clear how quickly the long-sought head of the disbanded P-2 freemasons' lodge will be handed back by Switzerland.

Under a 1987 European convention on extradition procedure, a formal request backed by full documentation of the offences for which a person is being sought must be presented within 18 days. The Rome authorities, however, believe that the papers can be prepared within days, to be passed on to Berné through diplomatic channels.

Thereafter, however, uncertainties arise. In the first place,

the Swiss may wish to proceed against Sig Gelli for offences committed on their soil. These might arise on two counts.

One is the use by the fugitive grandmaster of a forged Argentine passport on Monday, when he attempted to secure the release of up to SwFr 120m (£32.7m) of funds held on account at the Geneva bank where he was arrested.

Secondly, these funds, according to the Swiss magistrates investigating the case, were transferred to the country from foreign subsidiaries of the old Banco Ambrosiano, which was declared insolvent last month by a Milan bankruptcy court.

The Swiss authorities have ordered that all such funds be frozen. Similar transfers, said

to total \$20m, and destined for Sig Flavio Carboni, the Sardinian entrepreneur, who was a close associate of Sig Roberto Calvi, the old Ambrosiano chairman, have already been blocked. Sig Carboni is in jail in Lugano, where he is also being sought for extradition by Milan magistrates.

These latest developments would appear to confirm the role of the old Ambrosiano as the "Bank of the P-2"—at least in its controversial, and ultimately fatal, operations in Latin America, where Sig Gelli had strong personal and political connections.

Ambrosiano's collapse was caused by the "disappearance" of between \$1.2bn and \$1.3bn advanced by its Peruvian and Nicaraguan offshoots. A portion

of this sum, at least, now seems to have been clearly destined for Sig Gelli, and possibly for Sig Calvi, also a member of the P-2.

The authorities have no doubt that Sig Gelli is the key witness, if light is to be thrown on many of the still unexplained aspects of Italy's scandals, ranging from the Sindona affair to the Banco Ambrosiano scandal, and its controversial links with the Rizzoli Corriere Della Sera publishing group, whose chairman and managing director were members of the outlawed lodge.

However, his return to Italy for that reason could provide great embarrassment to many prominent figures. Many on the Left suspect that there may be a backstage pressure not to have him returned to Italy.



Sig Gelli: Swiss may press charges

How Poland's financial fireman was swept to power

BY DAVID BUCHAN AND LESLIE COLITT

MARIAN WIKTOR KRZAK, Poland's Finance Minister, has cause for satisfaction today. The fact that the Polish Government, despite its political vicissitudes, could announce yesterday that it is close to signing a new debt rescheduling agreement with the Western banks is a minor triumph for the Krzak team of financial negotiators.

The team is small and is pitted against 500 Western banks all desperately trying to get some of their billions back from Poland. Best known in the West is Mr Jan Wolosyn, deputy president of Bank Handlowy, the foreign trade bank.

Many in the Jaruzelski Government wanted to hold out for a far longer rescheduling period than Mr Krzak told them was realistic.

The 51-year-old Mr Krzak (pronounced much as an American would the word "shock") has been a Communist party member since he was 19. But he now gets on well with pin-striped Western financiers. "We speak a common language," he says, of rollovers, revolving credits and interest accumulation. "We never talk about politics when negotiating with the Western bankers. This is good."

At the start of the debt crisis, some Western bankers found the largely untested Mr Krzak opinionated and impractical. But as one Western banker put it, Mr Krzak "has grown into a more practical person understanding both sides of the banking picture." As he has matured in his job, Mr Krzak has grown more popular with Western bankers.

Though he now holds high political office, Mr Krzak regards himself as more expert financier than broad gauge politician. After two years editing the main Polish economic weekly, Zycie Gospodarcze, his career since 1980 has been within the walls of the finance ministry. However, for 12 years (1969-80) he stuck at the level of deputy secretary of state. It was the rise of Solidarity two years ago and its toppling of the Giersek regime that opened up the top finance job.

Ironically, it was also the rise of Solidarity that plunged Mr

Krzak into the unwelcome hurly-burly of consensus politics. "Solidarity came like a huge hurricane to Poland and I found myself at the centre of it. As Finance Minister, I had to play fireman to all the crises in the economy," he complains.

Banging his fist on the ministry conference table, Mr Krzak grumbles "in this very room we had to spend hours with Solidarity negotiating the resumption of coal exports and whether the miners would work on Saturdays."

Poland is now forced to make advance payment for most goods it buys in the West. "This restriction creates discipline and puts an end to all the buying on credit which Poland used to do," he says.

One other aspect of martial law pleases Mr Krzak. It provides a shield for the introduction of economic reforms, in pricing, self-financing for enterprises, profit and loss accounting. The institutional thrust of these reforms, if they are ever fully implemented, will be to add to the power of the Finance Ministry at the expense of the central planning organisations.

Giant of Swedish industry and finance dies aged 82

BY WILLIAM DULLFORCE IN STOCKHOLM

MARCUS WALLENBERG, the most powerful man in Swedish industry and finance over the past half century, died yesterday. He would have been 83 on October 5.

His death marks the end of an epoch in Sweden's economic history for it was the wealth created by a dynamic, privately owned industry, largely controlled by the Wallenberg family, which financed the growth of the country's welfare state in the 1950s and 1980s.



Marcus Wallenberg

Mr Wallenberg's personal relationships with the Social Democrat Prime Ministers and Finance Ministers, as well as the trade union leaders of those decades was at the core of the mixed economy system which became recognised as the Swedish model.

Together with his brother Jacob, who died two years ago at the age of 57, Marcus inherited the business empire gathered round Stockholm's Enskilda Bank founded by his grandfather in 1856. The bank later merged with Skandinaviska Enskilda Banken.

The brothers' control of Swedish industry was exercised by personal influence rather than through majority shareholding. Their main instruments were two investment companies in which family trusts held minority interests.

These companies in turn held minority shares in some 20 of the largest Swedish industrial concerns, including ASEA, Electrolux, Saab-Scania, Ericsson, Atlas Copco and forest-based companies Kopparberg and Papyrus.

Control was otherwise exercised through a handful of top executives, most of whom were

handpicked and nurtured by Marcus Wallenberg. He leaves his son, Peter, who is chairman or director of several of these companies, but management of the Wallenberg group is now expected to devolve on the small executive team.

Mr Wallenberg, together with his brother, put Swedish industry back on its feet after the crash of Mr Ivar Kreuger, the match king, in 1932. At that time, he developed the varied shareholding system which prevented Swedish companies from falling into foreign hands.

He wasted little time on other pursuits than his industrial companies part from playing tennis. He was twice Swedish singles champion in the 1920s and was the first Swede to play at Wimbledon.

Alarm rung by Irish industry

By Brendan Keenan in Dublin

THE CONFEDERATION of Irish Industry has called for the public sector to be rolled back considerably as a way of reducing the country's high inflation rate and restoring competitiveness. It also seems likely that opposition groups will succeed in having the Irish Senate recalled to debate the economy.

Industry has become seriously alarmed at the sharp deterioration in manufacturing performance. Output grew by 3 per cent last year but the confederation expects a 1 per cent fall this year. Some 9,000 jobs are also likely to be lost—double last year's figure.

While recognising that the international recession is partly to blame, industry claims that high government deficits and taxes needed to pay for them are causing most of Ireland's 18 per cent inflation rate.

Sir Liam Connelan, the confederation's director-general, said: "The weight of the public sector superstructure is destroying the base on which it rests."

The confederation wants a serious attack on pay, pensions and numbers employed in the public service, and calls for cash limits to be enforced in state concerns. Sir Liam said they would be prepared to discuss a full-blooded incomes policy, covering dividends as well as public and private pay, as part of an overall package.

He called for an end to special pay awards in the public sector until the budget deficit—estimated at about £850m (£680m)—is eliminated.

Mr Charles Haughey's Government is likely to have to face a debate on its economic policy in the Senate at the end of this month. The opposition, led by independent Senators, appears to have secured the necessary 30 signatures to recall the Upper House.

He has rejected calls for the Dail (Lower House), to reassemble, either to discuss the economy or the recent resignation of the Attorney General.

The difference between our First Class



and their First Class in Europe.



cancelled

Today, British Airways and most European airlines are eliminating First Class on flights in Europe. Lufthansa is not only keeping First Class now; we have every intention of keeping First Class in the future — to each of our 121 destinations worldwide. If you have connecting flights in Europe, therefore, Lufthansa allows you to fly First Class on every leg of the journey. In the extra comfort and style to which you have become accustomed. And at a time when most other fares are going up, Lufthansa is reducing its First Class tariff on all flights out of the U.K., from April 1.



Contact your Travel Agent or Lufthansa Reservations.

Four die in Basque attack

BY TOM BURNS IN MADRID

FOUR SPANISH policemen were killed yesterday in an ambush, apparently staged by Eta, the Basque independence movement, close to the French border. The victims were patrolling a mountain road in two vehicles when they were fired at from several points by automatic weapons of the type

normally used by Eta. The attack was the bloodiest this year in the Basque country and confirmed warnings by Madrid security officials of an increase in terrorist violence in the weeks immediately preceding the opening of official campaigning for the general election on October 28.

A Challenge to Financial Directors

If you could reduce your company's telephone usage, not lose efficiency, pay for the equipment to effect such savings and still be in profit—would you do so?

We are not asking you to make a decision now but just to see a full and free demonstration of the Telcost TNA 25 System to be held on 28th September, Exhibition Room No 1, Confederation of British Industry, Centre Point, New Oxford St., London WC1, between 10 a.m. and 6 p.m.

This is a self-processing system which cuts costs, monitors performance and produces complete print-outs on all telephone usage. As a Financial Director, surely, you will want to know how this applies to your company.

If you would like an invitation please telephone Chive Wigan on Camberley (0276) 63411 or complete the coupon.

To: Ansonline Limited, Lyon Way, Frimley Road, Camberley, Surrey GU16 5EY.

Please send me an invitation to view the Telcost TNA 25 System.

I cannot attend the demonstration but would like further details.

Name:

Position:

Company:

Address:

Telephone:

telcost
from Ansonline

AMERICAN NEWS

Reagan cuts hit poorer states hardest

By Reginald Dale, U.S. Editor, in Washington
PRESIDENT Ronald Reagan's economic policies are not only widening the gap between rich and poor, they are having the same effect on states, according to a study published yesterday by the Urban Institute.

Tax and spending cuts, combined with increased defence spending, are causing a steady shift of resources from northern states to the more affluent, energy-rich states of the Sunbelt, says the study.

New U.S. daily launched

By Richard Lambert in New York
USA TODAY, a new general daily newspaper, is scheduled to start production today in a five-state area around Washington and Baltimore.

Three U.S. railway companies in \$1bn merger

BY PAUL BETTS IN NEW YORK

THE RESHAPING of the U.S. rail network has taken a dramatic step forward with the approval by the Interstate Commerce Commission (ICC) of the merger of Union Pacific, Missouri Pacific and Western Pacific railways.

revenues would be some \$9bn. The merger, which was originally announced two years ago but hinged on ICC approval, will also combine under common ownership large quantities of natural resources, including coal, oil and uranium, owned by the railways.

These large railway combinations are also expected to stimulate mergers among road transport companies and airlines, both of which will be facing stronger competition from the new rail networks.

According to Mr Gilliam, these new consolidated systems "promise to be forerunners of integrated transport networks which will embrace all modes, including rail, motor, air and water."

When Union Pacific announced the original merger agreement, some of its competitors described it as a "mop-up" deal because the combination threatened competition.

William Chislett recently in Laredo, Texas, looks at the disillusion spread by Mexico's crisis

Why a border boom town is going bust

"TELL ME," said the Texan banker, "do you think revolution is coming to Mexico?" The banker, who can be seen from his high rise office across the muddy Rio Grande and into the world's most indebted nation, noted with alarm that many more "wetbacks" (poor Mexicans illegally crossing the river frontier) were fleeing poverty and entering the U.S. in search of work.

now we are going bust," said the banker. In the place of middle class shoppers, who provided Laredo with two-thirds of its retail trade, more impoverished Mexicans are coming. The U.S. border patrol reports that 3,144 people were arrested in August crossing the border at Laredo, the third busiest crossing point, an increase of 28 per cent over August last year.



A group of Mexicans are arrested after they illegally crossed the border in a van

one of the most dramatic demarcations between the industrialised and the third world. Once across the bridge the visitor to Mexico has to run a gauntlet of begging Indian mothers sucking babies in the dusty, polluted main street.

Mexico customs officials are due to start confiscating basic goods from U.S. shoppers this week in order to ensure minimum food requirements for Mexicans. "We are going hungry while the gringos are stuffing themselves," complained a taxi driver. Mexico has started to import eggs again.

Laredo's banks would ship pesos to Nuevo Laredo every day and receive dollars. But the Mexican banks are no longer selling dollars. A \$1,500 ration a year is available for Mexican travellers at Mexico City's airport but the dollars are only sold after clearing immigration authorities just before boarding the plane.

Plan for Namibia interim assembly provokes criticism

BY BERNARD SIMON IN JOHANNESBURG

A HEATED dispute has erupted between Pretoria and the interim government of Namibia over South Africa's efforts to replace the present administration in Windhoek with one which it hopes will fare better in pre-independence elections against the black nationalist movement SWAPO.

Mr Dirk Mudge, chairman of the territory's council of ministers and the alliance's driving force, has accused South Africa of interfering in Namibia's internal politics. He has alleged that senior military intelligence officers have played a leading role in moves to reconstitute the Government.

Broken Hill to cut steel jobs by 1,700

By Michael Thompson-Noel in Sydney

BROKEN HILL Proprietary, Australia's largest company, said yesterday it was cutting the workforce at its steel plant in Newcastle, New South Wales, by 1,700 over the next three months.

New Israeli inflation plan attacked

BY DAVID LENNON IN TEL AVIV

ISRAELI industrialists have attacked new government plans for fighting the country's soaring inflation, calling the proposals harmful to exports and likely to cause serious unemployment.

Mr Eli Hurvitz, president of the Israel Manufacturers' Association, which represents private industry, said that the decision to slow down the rate of devaluation of the shekel in order to fight inflation will in effect subsidise imports while pricing Israeli goods out of an increasing number of export markets.

The industrialist also reported to a manufacturers' association meeting in Jerusalem that the anti-Israel economic boycott in the world has intensified recently. He said this was particularly noticeable in recent months among banks abroad.

Jerusalem dismisses Hussein's statement

BY OUR TEL AVIV CORRESPONDENT

KING HUSSEIN of Jordan's statement that he has accepted Israel's right to exist since 1987 was dismissed by officials in Jerusalem yesterday as "nothing new."

The officials said that when the Jordanian monarch says that he knows that the state of Israel exists, he deliberately stops short of expressing any willingness to extend formal recognition to the state.

Lebanese Army took effective control of eastern West Beirut for the first time yesterday without the support of international forces.

Iraqi warplanes 'score hit on Kharg Island'

Iraqi warplanes bombed Iran's oil-loading Kharg Island in the Gulf on Tuesday, the Gulf news agency reported from Baghdad.

running at 1.7m barrels a day despite Iraqi air-strikes on Kharg Island.

Yamani defends \$34 oil reference price

BY RICHARD JOHNS

A FALL in the price of oil to \$28 a barrel would have serious consequences for the availability of supply in the medium-term future, Sheikh Ahmed Zaki Yamani warned at the end of the Oxford Energy Seminar.

stimulus to demand could lead to a reversal in the trend towards conservation of oil and its substitution with alternative sources of energy.

"This is of paramount importance, given the formulation of future supply disruptions," they say. The second priority is the formulation of energy policies which take a long-term perspective.

intention of not producing at a rate permitting the build-up of large stocks which could be used to manipulate prices.

'Cultural' cable TV network venture ditched by CBS

BY PAUL BETTS IN NEW YORK

CBS CABLE, the New York communications and entertainment company's \$50m (£29m) venture in cable television, has become the first major victim of the increasingly competitive U.S. cable industry.

months to find a buyer or partner, but failed. The decision to fold the cable venture comes barely a week after the announcement that Mr William Paley, the founder of CBS, was resigning as chairman next spring to be replaced by Mr Thomas Wynn, the company's current president.

IBM alleges three tried to sell trade secrets

BY LOUISE KEYHOE IN SAN FRANCISCO

IBM has filed a suit alleging trade secrets misappropriation by three of its employees who are accused of trying to sell design information on future IBM personal computer products.

IBM was still in its employ. In its suit, IBM charges that last month one of the defendants offered to sell computer secrets to Tecmar, a Cleveland, Ohio, manufacturer of add-on products for the IBM personal computer.

Thatcher 'will offer Hong Kong solution'

By Tony Walker in Peking

MRS MARGARET THATCHER, the British Prime Minister, will make relatively specific proposals for the settlement of the Hong Kong problem when she visits Peking later this month, according to officials here.

The proposals are likely to provide for a continuing British involvement in the administration of Hong Kong after the expiration of its lease on part of the colony in 1997.

The balance of payments deficit rose to US\$4.4bn in 1981 and may well rise further this year due to the fall in exports, and the cost of the war in Lebanon.

"We have learned to live with inflation," he said "but it is impossible to live with the hole that we have in our balance of payments certainly not as an independent country."

The Chinese side seems certain to use Mrs Thatcher's visit as an opportunity to make further soothing noises about Hong Kong's future. In the past, Deng has urged Hong Kong investors to "set their hearts at ease."

China is known to have set up a committee under the State Council, its Cabinet, to consider the "problem," but whether this committee is yet in a position to put proposals to the Chinese leadership is uncertain.

In 1981, Chinese exports to Hong Kong exceeded \$8bn, making it the country's second biggest market after Japan.

By the time you've read this ad the Dollar could have moved 2¢

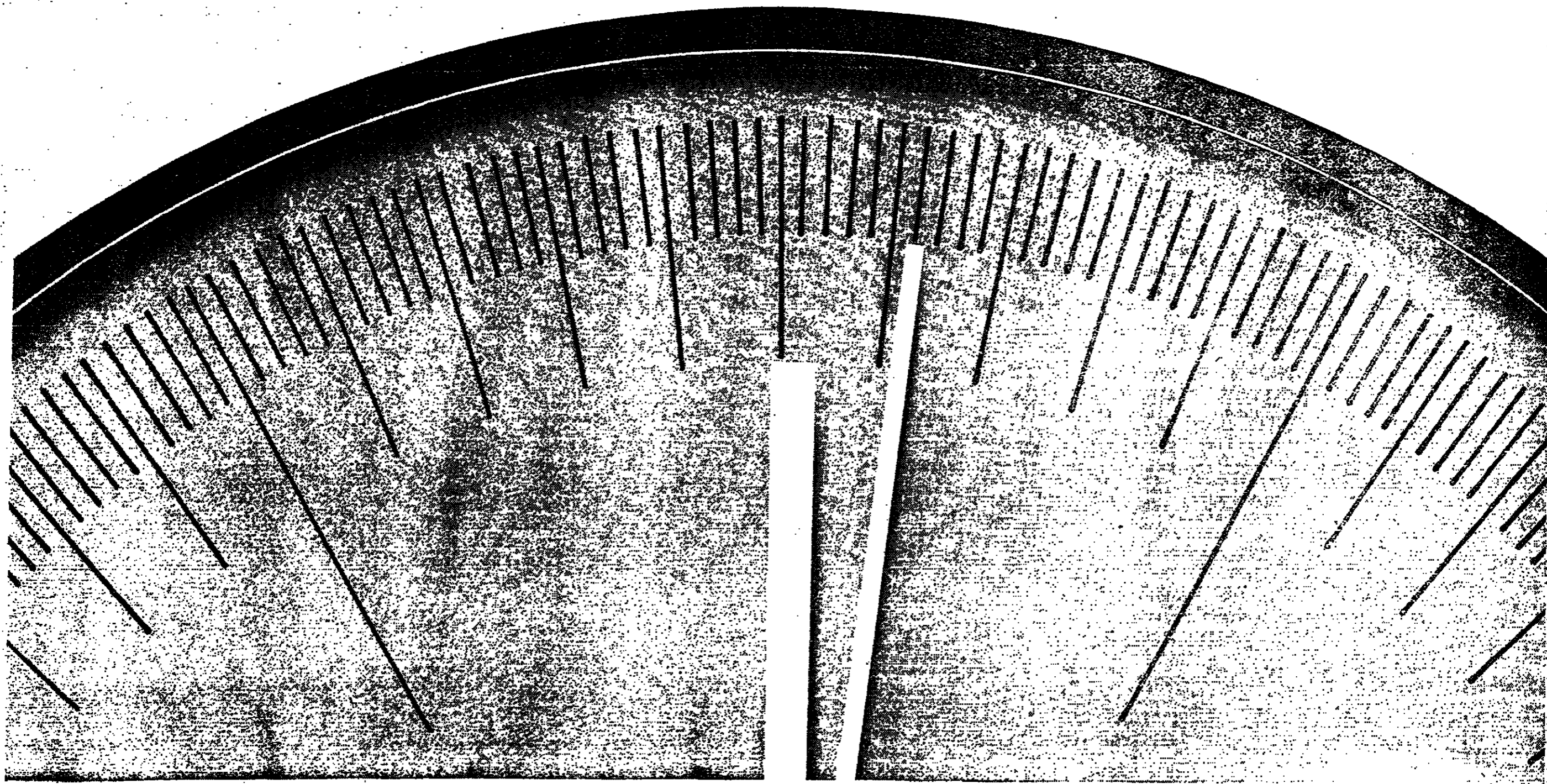
In the volatile world of foreign exchange, the faster you are the richer you are. That's why at Chase we have a team of expert consultants always available and ready to help you with enquiries about the state of the market.

And a team of dedicated traders, backed by a Foreign Exchange network that encompasses the globe with branches in every major money centre. Because our FX network is linked by the most sophisticated communications in the banking world, we know what's happening everywhere in the market at any time.

So when you want Dollars, Yen, Guilders or Deutsche Marks, or any other currency fast, the Chase is on to track down the best buy. Not just in London, New York, Frankfurt or Paris. But in Tokyo, Zurich, Bahrain. Or wherever the law of supply and demand is working in your favour.

Now, more than ever, time is money. So call the Chase Manhattan Bank. In the race against time the Chase is on.

 The Chase is on.



WORLD TRADE NEWS

Creusot-Loire to take legal action against U.S.

BY DAVID HOUSEGO IN PARIS

CREUSOT-LOIRE, the French steel and engineering group, announced yesterday that it was taking legal action against the U.S. Administration's ban on the sale of goods and technology to the company and its main subsidiaries for violating U.S. sanctions on the provision of equipment for the Siberian-West Europe gas pipeline.



Michael Johert

France warns S. Korea

By Ann Charters in Seoul

FRANCE has warned South Korea's textile exporters not to expect great progress in the present trade talks with the EEC in Brussels.

Irish builders seek help for overseas contracts

BY BRENDAN KEENAN IN BELFAST

IRISH BUILDERS believe they could be in the running for 175m (£60m) worth of overseas business, especially the Opec countries, if they had the same kind of government backing as their industry enjoys in other EEC countries.

Ansald wins deals

Units of Italy's state-owned Ansald electrical engineering group have obtained contracts in Iran, North Yemen, Nigeria and the U.S.

French oil imports fall

French imports of crude oil totalled 46.6m tons over the first seven months of this year, down by 13.5 per cent from the same period last year.

British manufacturers reach for the sky

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

BRITISH Airports International (B.A.I.), has just been awarded the master planning project for an airport in Tabarka, on the north-west coast of Tunisia.

This is the second consultancy contract BAI has won in Tunisia, together with the Tunisian concern. It has just completed a planning project for a new airport in Tunisia.

The current Tunisian plan includes the building and modernisation of many of the country's airports and seaports.



Exporters at Work

fact be equal to twice the full value of the contract. The French had apparently agreed to the latter in their bid, but after some worrying days, Lazards raised the extra and the contract was secured.

The evolution of the group will provide an interesting lesson in the delicate matter of which company should take the role of lead contractor when several of the member companies are in competition with each other.

The Government would like to see one company emerge as leader of the group, but Mr Davies thinks it is important that where a particular company is strong in certain markets, it should take the lead.

On competing companies, he says, "ultimately it is for the customer to decide, but I went out of my way on the Brazilian bid to see that we had quotations from both Plessey and Marconi."

Soviet warning to Comecon on its trade with the West

BY LESLIE COLLIT IN BERLIN

THE Soviet Union has cautioned its Comecon allies against intensifying trade with the West, noting that capitalist economies are wrecked by crises and thus extremely "unstable and unpredictable."

Mr Olym Tshukanov, a Soviet Comecon specialist, writing in a leading East German foreign affairs and economics publication appeared to aim his remarks at Comecon countries conducting a large proportion of their trade with the West.

several of the smaller Comecon countries have been steadily building up the proportion of their trade with the West, following the example of the Soviet Union.

Gloomy forecast for Swiss chemical sector

BY JOHN WICKS IN ZURICH

SWITZERLAND'S chemical sector is "in a difficult position," according to Dr Alfred Hartmann, chairman of the Swiss Society of Chemical Industries (SGCI).

At the same time, a 0.4 per cent decline in chemical imports—more than three-quarters of which are used in further processing—indicated the industry's "subdued view of the prospects over the coming months."

chemical exports were higher by only 1.5 per cent than for the corresponding period of 1981.

Dr Hartmann attributed this stagnation in foreign sales and an accompanying pressure on prices to increased competition on world markets and the appreciation of the Swiss Franc.

While a weaker Swiss Franc had contributed to the improvement in 1981 business, both turnover and profits were now suffering from a marked strengthening of the national currency, he said.

COMPANY NOTICES

Canadian Pacific Enterprises Limited. DIVIDEND NOTICE. The Board of Directors of Canadian Pacific Enterprises Limited, at a meeting held at Montreal, Quebec, on the 2nd day of September, 1982, resolved that a quarterly dividend of twenty cents (20¢) Canadian per share on the outstanding Common Shares of the Corporation be and the same is hereby declared payable on October 20, 1982 to shareholders of record at the close of business on September 15, 1982.

THE COPENHAGEN COUNTY AUTHORITY. 20,000,000 European Units of Account. 8 1/2% 1979/1991 Bonds. Pursuant to the provisions of the Purchase Fund, notice is hereby given to Bondholders that nominal U.A. 500,000 have been purchased during the twelve-month period from September 10, 1981 to September 9, 1982.

MARLOW RAND LIMITED. NOTICE IS HEREBY GIVEN to the shareholders of the above issue, that the third redemption instalment of Bonds, due 15th October, 1982, is hereby notified. Amount outstanding: U.S.\$4,000,000.

WESTERN MINING CORPORATION LIMITED. US\$80,000,000 8 1/2% Guaranteed Bonds 1988. S. G. Warburg & Co. Ltd. announces that the redemption instalment of Bonds, due 15th October, 1982, for a nominal value of U.S.\$2,125,000 has been met by purchase in the market.

TRAVEL. TOKYO, Osaka, Seoul, Taipei and Far East. Visa service of passport agents. Japanese Service, Tel: 41-437 5705.

RESIDENTIAL PROPERTY

SWITZERLAND. FOREIGNERS can buy apartments freehold on LAKE GENEVA, in Montreux near Leysin, or all year round resort St. Cyprien, near Vevey, or in the Jura mountains. Also quality properties in France: Apartments in EVIAN on the lake, approximately 25 minutes from GENEVA, built to your specifications. Advise area preferred. Write to: Developer, c/o GLOBE PLAN SA, Mon-Repas 24, 1005 Lausanne, Switzerland. Tel: (21) 22-35-12. Telex: 25185 Melis ch.

KNIGHTSBRIDGE CHARMING NEWS HOUSE. Fully-furnished. Reception-dining, kitchen/diner, 2 bedrooms and bath. Renovated and decorated to high standard. 7-year company lease. Rent £3,500 p.a. £32,500 for furnishings and equipment. Tel: 01-730 8303.

FINANCIAL TIMES. operates a subscription hand delivery service in the business centres of the following major cities: AMSTERDAM - BONN BOSTON - BRUSSELS CHICAGO - COPENHAGEN DUSSELDORF - EINDHOVEN FRANKFURT - GENEVA THE HAGUE - HAMBURG HONG KONG - JAKARTA KUALA LUMPUR - LISBON LOS ANGELES - MADRID MANILA - MEXICO CITY MIAMI - MONTREAL MUNICH - NEW YORK PARIS - ROTTERDAM SAN FRANCISCO - SINGAPORE STUTTGART - TOKYO TORONTO - UTRECHT VIENNA - WASHINGTON

For information contact: Financial Times, Guisancestrasse 54, 6000 Frankfurt/Main, W. Germany. Tel: 0611-75980 - Telex: 416 193 / or Financial Times, 75 Rockefeller Plaza, New York, NY 10019. Tel: (212) 489 8300. Telex: 238409 FTOL UI

PERSONAL

FACT. 1 IN 5 OF THE PEOPLE registered blind each year under the age of 65, go blind because of it—DIABETES. Join us—Help us Support us. BRITISH DIABETIC ASSOCIATION, 10 Queen Anne Street, London W1M 0BD.

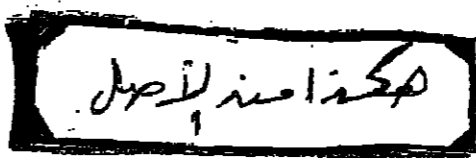
ART GALLERIES. BLOND FINE ART, 22, Seville St., W1. BRUCE GALLERY, ARTISTS, Udding St., W1. LEFEBVRE GALLERY, 20, Blythe St., W1. OF ART, 12, St. James St., W1.

CLUBS. EVE has outlined the criteria because of a shortage of bar girls, and the need for more bar girls. EVE, 12, St. James St., W1. Tel: 01-492 4099.

FINANCIAL TIMES. PUBLISHED IN LONDON & FRANKFURT. Head Office: The Financial Times Limited, London House, 10 Green Street, London EC2P 4BT. Tel: 01-492 4099. Telex: 416 193 FTOL UI.

I.B.M. PERSONAL COMPUTER. Full supported software packages available include: Financial Planning, Word Processing, Integrated Accounting, Graphics. To arrange Demonstration in your own office or in our showroom, phone Norman Beale on 01-387 4599. Fully Guaranteed. Micro Computer Source Ltd., 40 Triton Square, London N.W.1.

SCHERING AG, BERLIN. has sold its subsidiary Isar Rakoll Chemie GmbH Munich to H.B. Fuller Company St. Paul. We initiated the transaction, served as a financial adviser to Schering AG and assisted in the negotiations. Trinkaus & Burkhardt. Bank since 1788. 1000 Oldemblerg. KGaA, Godesburg 21423. West Germany - Tel: 0224 21831-1.



Global directors claim boardroom battle victory

BY CHARLES BATCHELOR

THE BOARD of Global Natural Resources yesterday claimed victory in the five-month battle for control of the oil and gas company. But it also conceded that dissident shareholders may have ousted one of Global's directors.

Tellers were still counting the 12m to 13m votes cast and the result would be announced at 2.30 pm today. Mr Frank Beatty, Global's chairman, told the resumed meeting in the Grand Hotel, St Helier, Jersey.

News of the delay in announcing the result provoked strong protests from the dissident shareholders and their lawyers. One threatened to use any means to overturn a decision which did not do justice to the dissidents.

Mr Stephen Arky, a lawyer and one of the dissident's board nominees, challenged the company to reveal the results of at least some of the motions being

voted on, but Mr Beatty said: "Piecemeal results would be misleading."

Speaking after the meeting, one lawyer said any reconciliation between the two sides was out of the question although they had earlier hinted at a compromise.

"It is totally absurd," the lawyer commented. "I don't understand how they can have spent 13 hours counting and still not be able to work out the votes."

Mr Beatty explained that the delay was due to the number of split votes where shareholders voted for the board on some of the 20 motions and against on others.

The 14 motions filed by the dissidents seek to replace Global's seven-member board with their own nominees.

The dissidents also claimed victory in the poll and both sides agreed there would be

only 500,000 to 1m votes between them.

Whatever the result, further court actions are bound to occur. Lawyers acting for Mr Marvin Warner, one of the leading dissidents, announced yesterday that he had filed a motion with an Ohio court to reverse Global's controversial \$44m (£25.8m) takeover of McFarlane Oil of Houston, Texas, to seek damages of at least \$25m and to order a recount of the votes lodged.

Global issued 3.1m shares to McFarlane as part of the purchase price. The dissidents claim this takeover was carried out partly to lodge shares with a friendly shareholder.

Global was rescued from the wreckage of Mr Bernie Corfield's Investors Overseas Services. It has large developed reserves in Indonesia and is developing further reserves in the Canadian Arctic, the American Rockies and the Mississippi basin.

Poll points to 'traditional' results in Welsh by-election, Robin Reeves reports Labour set to claim its rights in diehard Gower

LABOUR is still on course for a comfortable victory in the Gower by-election, according to an opinion poll commissioned by Harlech Television.

Labour is predicted to capture 48 per cent of the committed votes, the Conservatives 25 per cent, the SDP-Liberal Alliance 19 per cent and Plaid Cymru 7 per cent, when the Gower electorate goes to the polls tomorrow. The only significant changes from a comparable poll last week are a 3 per cent drop in Conservative support and a sharp fall in the percentage of "don't knows" from 29 to 16 per cent.

Publication of the poll results provides another dampener on what has been a lacklustre by-election campaign. In this scattered Welsh constituency, it is the first by-election in Wales for 10 years.

Unless the pollsters have got it badly wrong and the rival candidates have succeeded—as they were claiming yesterday—in breaking the habits of a lifetime over the past few days, Mr Gareth Wardell, a 37-year-old geography lecturer, will become the next Labour MP for Gower.

Labour strategy throughout the campaign has been aimed at keeping down the temperature



TREFOR LLEWELLYN predicts 65 per cent poll

To a large degree it seems to have succeeded.

Mr Wardell has steadfastly avoided any face-to-face confrontations with the other candidates. He has limited his daily pronouncements to broad attacks on the Government's record, particularly on unemployment which all candidates have agreed is the central issue

in a constituency with a 17 per cent jobless rate threatening to go still higher.

When it comes to solutions, the Gower electorate has been offered an ample, if largely familiar, range of policies. But the signs are that few people are convinced that any of them would succeed.

On the occasions when outside issues, such as the health service dispute, have impinged on the by-election campaign, Mr Wardell's moderation has even extended to condemning the TUC Day of Action and, yesterday, demanding that all Militants be expelled from his party—and not just the inner core, as Mr Michael Foot, the Labour leader, is now suggesting.

But while carefully designed to comfort, or at least not upset, its traditional supporters, Labour's approach to the by-election has clearly not generated a surge of enthusiasm—if that were ever possible.

Combined with widespread reports from other party workers of apathy and uncertainty among the electorate, there is every chance of an unusually-low poll. Whether it will be low enough to endanger Labour's chances is another



GARETH WARDELL heading for victory, say pollsters

matter.

Mr Trefor Llewellyn, the Tory candidate, yesterday predicted that there would be no more than a 65 per cent turnout compared with 80 per cent at the General Election. He claimed this would give him a chance through a large number of Labour abstentions.

Mr Llewellyn's forecast prompted Mr Bill Rodgers, in the SDP camp, to offer odds of 50-1 against a Tory victory.

Mr Gwynor Jones, the Alliance candidate, produced canvassing returns suggesting that he is running neck-and-neck with Labour, with 35 per cent of voters undecided. Certainly the SDP meetings have been attracting interest—over 250 people turned up to hear Mrs Shirley Williams, on Monday night. But Mr Jones has had the handicap of being former Labour MP (in neighbouring Carmarthen 1970-74) fighting in a Labour heartland which attaches a great deal of importance to loyalty among its politicians.

Mr Ieuan Owen, the young Plaid Cymru candidate, has run a spirited Left-wing campaign outside the battle for the middle ground being fought over by the other three main candidates. Indeed, he has been described as the only real Socialist in the contest.

But the tide of Welsh nationalism which flowed so strongly in the by-elections in Wales in the late 1960s and early 1970s has shown no signs of a revival this time.

Fewer live animal experiments

EXPERIMENTS on living animals dropped by 250,000 last year to the lowest level since 1963, according to a Home Office report published yesterday.

The report, Statistics of Experiments on Living Animals, said the decline in the number of experiments which began in 1977. It saw no sign of the decline slowing.

The fall was spread over almost all types of experiment and included reductions of more than 10 per cent (280,000) in the number of experiments involving medical products and 20 per cent (to just under 25,000) in the number of tests of cosmetics.

Nearly a fifth of last year's tests were undertaken to comply with legislation contained in the Medicines Act, 1968, the Health and Safety at Work Act 1974, the Agriculture (Poisonous Substances) Act 1952 and the Food and Drugs Act 1955.

More than 80 per cent were carried out on rats and mice.

Reactor availability a key factor in N-operations

BY DAVID FISHLOCK, SCIENCE EDITOR

ECONOMIC RISK has joined safety as an important consideration in nuclear reactor design and operation, Britain told the International Atomic Energy Agency's conference on nuclear power experience in Vienna yesterday.

The performance of nuclear power plants, although not entirely satisfactory, was "probably not worse than many other large, complex plants," two engineers from the United Kingdom Atomic Energy Authority said.

Mr G. T. Edwards and Mr I. A. Watson, of the authority's safety and reliability directorate, said present nuclear performance was tolerable because countries tended to have excess generating capacity. But comprehensive reliability programmes could improve reactor performance.

Ideally, the two said, the availability of a reactor, with a realistic optimum should be a key consideration in its design. But it was doubtful whether this could be attained without a more stable nuclear manufacturing industry.

The Canadians appeared to

get the best performance from reactors so far, with cumulative load factors of up to 75 per cent. That compared with a figure of 80 per cent used by most countries in feasibility and planning studies.

The Canadian Candu pressurised heavy water reactors achieved a load factor of 90 per cent last year. The Russian heavy water reactors (RBMK-1000) were said to have achieved 78.5 per cent in 1980.

Bottom of the performance league were the boiling water reactors, with a cumulative load factor of less than 59 per cent.

Standardisation has led to a marked improvement in three countries: France, the Soviet Union and West Germany—all with pressurised water reactors.

The 45 pressurised water reactors in operation worldwide by the end of 1981 achieved a cumulative reactor availability of 73.9 per cent, according to figures presented by Westinghouse Electric. That is the type of reactor which Britain is proposing to build at Sizewell, Suffolk.

Work starts on Docklands road network

WORK begins today on a 2.2km stretch of carriageway across the West India Docks at the Isle of Dogs.

The road, scheduled to be built within seven months, is the first phase of an integrated network planned for London's Enterprise Zone.

The infrastructure will involve the installation of gas, electricity, water and telephone services at a cost of £1.7m, as well as sewers to serve the industrial estate.

The work is but a part of the London Docklands Development Corporation's programme for the improvement of roads and services in Docklands. These include trunk and principal road schemes and other road-building works involving £400m of investment in the next 10 years.

The contract for the first phase of carriageway has been awarded to John Mowlem and Co

Quiz to launch new TV channel

BY ANTHONY THORNCROFT

CHANNEL 4, the first new television channel in 18 years, will be launched at 4.45 pm on November 2 with a quiz show called Countdown. There will be no gala celebration. The channel will present a typical evening's viewing, although it will screen the Paul Hogan Show, Australia's top rating programme and one of Channel 4's hottest tips for popular success.

The channel will also present on the first night one of its commissioned films, Walter, starring Ian McKellen; its soap opera, Brookside, based on a Merseyside housing estate; its nightly hour-long news programme, Channel Four News at 7; the first of a series from the avant-garde comedians of The Comic Strip; and one of its American imports, People's Court, where actual cases are tried by a TV studio audience.

Unveiling Channel 4's first season at a London Press conference yesterday, Mr Jeremy Isaacs, its chief executive, said he hoped to gain 10 per cent

of the television viewing audience within three years and would be worried if the channel was not approaching that figure after two years. (This is about double the audience forecast by the ITV companies which financed the setting up of the channel and have the task of selling the advertising to pay for it.)

Mr Isaacs pinpointed six ways in which the new channel would be different. Its hour-long nightly news, which would concentrate on explanation rather than incident. It would be committed to young people, especially the 15-30 age group which is generally ignored by TV companies, and would stage Pop shows and newer sports like basketball. It would have programmes for the black and Asian communities. It would use independent producers to provide over 50 per cent of the channel's output. It would show specialist programmes on leisure activities, such as fitness and the arts to improve the quality of life. And it would

provide an international flavour by screening foreign feature films.

The most notable programme on Channel 4 in its early weeks will be Nicholas Nickleby, the Royal Shakespeare Company production to be screened on four successive Sundays from November 7. Among the films booked are Network, Equus, Mephisto, Moonlighting and Sitting Ducks, as well as 20 commissioned full-length feature films.

Channel 4 will broadcast for 80 hours a week and claims to offer an alternative to ITV. It will be commercial television's answer to BBC 2, catering for specialist audiences. Already 66 per cent of the population are aware of the impending new channel and a heavy advertising campaign in the next few weeks will run home its debut. From today, anyone tuning their television set to Channel 4 will receive a compilation of clips from the planned programmes, as well as the test card.

BL car workers to vote again on holidays

EMPLOYEES in BL Oxford car plants are to vote again on their preferred summer holiday dates. The holiday can last three weeks or two, with the third week made up later.

In the first ballot the most popular choice was the three weeks beginning in the last week of July. More than 8,500 men and women voted for this option, but it did not gain the necessary 50 per cent support.

The second preference was to leave the summer break in the last two weeks of July. It gained 7,000 votes.

The third option in the first ballot, the first week in August, was favoured by just over 5,000 people. The second ballot is expected early in October.

The workers' ballot was arranged after Oxfordshire County Council called a meeting attended by BL and other local authorities. It favoured a later start to the works summer holiday to avoid a clash with the school term.

You're looking at the most expensive place to store information.

No one can be expected to keep everything in their head. But sometimes, it isn't so easy to pass the information along.

According to statistics, only one in four telephone calls get through first time. Managers waste whole days waiting for thoughts to be typed.

All of which makes about as much sense as paying a top salary to a filing cabinet.

Over the last few years, Wang has pioneered systems that help everyone manage information in all its forms: words, data, voice and images.

And combined them on one network.

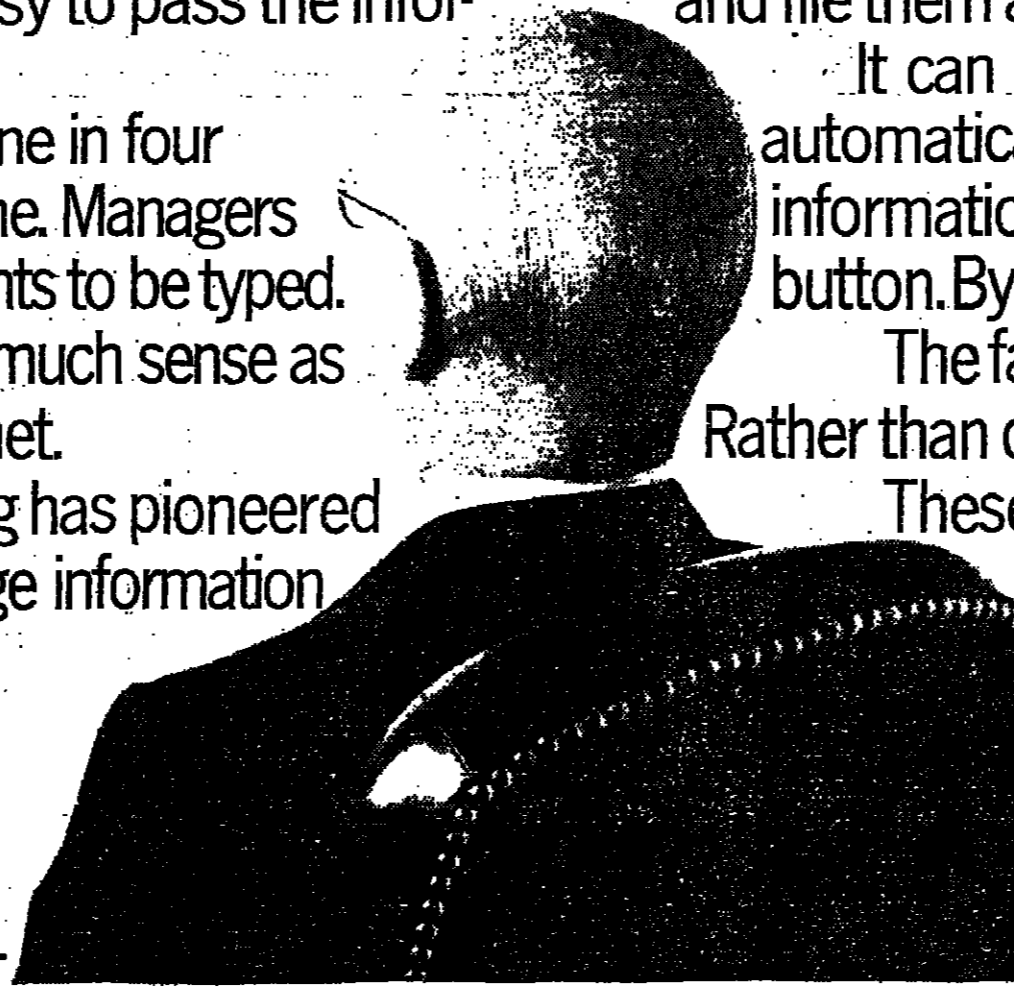
With our Alliance audio work-

station, you can record notes or spoken comments and file them away electronically.

It can plan your diary and make your calls automatically. And when you want to retrieve information, Alliance finds it at the touch of a button. By name, number, letter, date, whatever.

The facts are there at your fingertips. Rather than off the top of your head.

These are just a few of the ways Wang helps the executive do what he's paid to do. Make informed, clear-headed decisions.



WANG

The office automation computer company.

SEE US ON STANDS 503/505/507 AT THE LONDON BUSINESS SHOW, THE BARBICAN CENTRE 28 SEPT. - 1 OCT.
FOR A FREE AUDIO CASSETTE ON OFFICE AUTOMATION WRITE TO I. SEEL, WANG (UK) LTD., 661 LONDON ROAD, ISLEWORTH, MIDDLESEX.
WANG: COMPUTERS, WORD PROCESSORS, OFFICE INFORMATION SYSTEMS AND WANGNET.

UK NEWS

Counting the hidden costs of keeping the Falkland Islands British

The islanders could be among the most heavily aided people in the world, Bridget Bloom reports

IF THE British Government decides to adopt Lord Shackleton's report on the economic development of the Falkland Islands...

Islands garrison. Mr John Nott, the Defence Secretary, specifically excluded garrison costs when he spoke last June of likely spending of £250m a year for the next two to five years...

The question is to be formally reviewed in the Defence Ministry next month. The service chiefs will recommend the force levels they think necessary...

Illustrious, Britain's third aircraft carrier, which replaced Invincible three weeks ago. There are just under 3,000 army personnel in the Falklands...

operation from Britain via the Ascension Islands. More than 10 Hercules transporters are playing the 11-hour route from Ascension, now trying to make up the backlog caused when Stanley airfield was closed in August for strengthening with alloy matting...

its home and Nato obligations. But the army, for example, is not so big that it can readily afford to have 1,000, or about 9 per cent, of its engineers 8,000 miles from home...

others, some easier to solve than others. Barrack accommodation, for example, can be built outside Stanley, freeing the hostels which schoolchildren from the country areas normally inhabit...

Industry has cut to the limit, warns Tory MP

By Peter Riddell, Political Editor. DISQUIET about the state of the economy among many Tory MPs, especially in the Midlands, was underlined yesterday by Mr Anthony Beaumont-Dark, MP for Birmingham Selly Oak...

Green light for reform of steel castings industry

By JOHN LLOYD, LABOUR EDITOR. A PLAN to rationalise the UK steel castings industry now appears certain to go through, despite union opposition. This follows agreement to the plan from F. H. Lloyd, one of the main companies in the sector...

Alcan seeks 20% jobs cut at Gwent plant

By Alan Pike, Industrial Correspondent. ALCAN SHEET, part of Alcan Aluminium UK, is to cut the workforce of its Rogerstone, Gwent, plant by about 20 per cent...

Helicopter safety inquiry urged

BY LYNTON McLEAN. A CALL for a full inquiry into helicopter safety by the Trade Department was renewed yesterday by Mr David Ennals, a former Labour Cabinet Minister. He was commenting on the third crash in the North Sea in 13 months involving helicopters operated by the Bristow company...

SE steps up fight over rule book

BY JOHN MOORE, CITY CORRESPONDENT. THE STOCK Exchange is stepping up its defence against the Office of Fair Trading, which has challenged the Exchange's business methods. In a letter to all members of the Stock Exchange...

Benn praises 'militancy' in union movement

By Peter Riddell. MR TONY BENN last night said the Labour and trade union movement was coming together in a campaign of industrial militancy. In an almost gleeful speech at a Tribune rally in Manchester...

Heavy vehicle testing to be privatised

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT. THE GOVERNMENT is aiming to transfer the ownership of all 91 heavy goods vehicle testing stations to the private sector from April 1. Officials are discussing the final arrangements with Lloyd's Register of Shipping, which is expected to take over the stations...

Growth of trading in Chicago sets market standard as volume rises by 40%

BY JEREMY STONE. CHICAGO CONTINUED to set the industry standard in financial futures. In the first eight months of 1982 futures volume on the International Monetary Market showed a 40 per cent rise over the same period a year before...

World Financial Futures Conference

Exchange (Inter), spoke about the use of automated trading facilities to create a world-wide 24-hour trading capacity. He was confident that Inter offered a cost-effective trading arena which could link markets in cities such as London, Chicago, Tokyo, Hong Kong, and Singapore...

Advertisement for PLANELECTRIC heating systems. Text: 'How can any heating system take one unit of energy, and double it? Find out. Fill in the coupon and we'll send you all the details about the remarkable Electric Heat Pump and how it can save energy in business premises. Post to: The Heat Pump and Air Conditioning Bureau, 30 Millbank, London SW1P 4RD. PLANELECTRIC WE HAVE THE POWER TO HELP YOU'.

Handwritten note: *دول، ايساليس*

UK NEWS

Lower rate of growth in architectural commissions

By William Cochrane

ARCHITECTURAL commissions continued to show a lower rate of growth in the second quarter of 1982 and the value of work entering the production stage was still dropping in real terms.

Nearly a quarter of Britain's architects claim to have been underemployed during the past year.

Figures released yesterday by the Royal Institute of British Architects showed that the value of new commissions received in the second quarter of 1982 was £2.04bn, an increase of 11.2 per cent in real terms over the previous quarter but only 3.6 per cent higher than the second quarter of 1981.

Work entering the production stage during the quarter was £1.78bn. The institute said yesterday that about 13 per cent of new commission work can be expected to prove abortive before it is translated into production drawings.

In real terms, that £1.78bn showed a decrease of 4 per cent since the previous quarter, and a 9.9 per cent fall compared with April-June, 1981.

The institute says that once again the real increase in new commissions is mostly in the private non-housing sector. The value of this work was up by 4 per cent over the second quarter of 1981.

This, says the institute, confirms the trend towards a stabilisation in its rate of growth which, up to now, has been responsible for much of the recovery since the low point in the fourth quarter of 1980.

The rise in commissions was most evident in London practices, which recovered sharply from the low level in the first quarter of 1982.

Practices in the south-west and Wales and in the south-east (outside London) recorded a drop in new commissions, against the national trend.

Output gains shake Mersey 'myth'

By IAN HAMILTON FAZEY

LARGE productivity increases in key manufacturing industries put Merseyside well ahead of the national trend in the 1970s, according to figures published yesterday.

Shipbuilding, which shed much labour during the period while introducing an enclosed yard at Cammell Laird, showed a productivity increase of 110 per cent in the six years to 1979.

The Merseyside car industry, with its strike record and frequently criticised workers, registered a 71 per cent productivity gain.

Other gains in the petroleum, chemicals and glass industries helped the region to a 20 per cent productivity increase in its manufacturing sector, compared with a national gain of 14.5 per cent in the six years.

The figures are the result of research by Mr Peter Wood, Merseyside County Council's planning officer, and Mr Jack Stupforth, marketing manager of the county's economic development office. They are likely to be used to counter

an image of low productivity which the region's elected leaders believe to be a myth.

The two county council officers—both widely respected locally for their objectivity about Merseyside's economic plight—bought their basic data from the Business Statistics Office, which only recently started to make available analyses of the annual census of production at county level.

The research reveals that in six other manufacturing industries only average productivity gains were achieved. In two others there was local decline compared with national increases and in another two local decline was faster than national decline.

The weakness of the data as an indicator of overall performance is that only a third of Merseyside's workforce is employed in manufacturing. More than 60 per cent work in the service sector, for which comparable figures are not yet available. Nevertheless, manufacturing industry's wealth-

generating role in the local economy, and its disproportionate contribution to Merseyside's traditional image of strike-prone bloody-minded laziness make any objective data valuable.

Total manufacturing output on Merseyside fell by nearly 15 per cent in 1979-81 to £2.5bn a year at 1975 prices, the research shows. The figure was almost £3bn a year in the 1970s, with 70 per cent contributed by food, drink and tobacco, vehicles, chemicals, bricks, pottery glass and electrical engineering.

Best estimates for 1982-84 suggest output growth of 6.3 per cent. This will not lead to new jobs, nor a reduction in the local 20 per cent unemployment rate, however. According to the Merseyside Chamber of Commerce, almost half the region's companies are working at less than 80 per cent capacity. Any growth will be used to take up the slack and consolidate further on productivity gains brought about by the

decline in numbers employed during the recession.

The research pinpoints black-spots where there is room for improvement. These include output and productivity levels in electrical engineering, textiles, glass, timber, furniture, paper printing and publishing, leather, fur, clothing and footwear.

In addition 51 per cent of value added in Merseyside manufacturing went on wages, constraining the amount of money available for reinvestment and leading to lower average net capital expenditure per employee than elsewhere in Britain.

Merseyside county plans to use the figures to promote its potential for industrial development. It also plans to investigate using the data to enhance the prospects of specific industries, possibly setting up regional equivalents of the "little Neddies" established by the National Economic Development Office to develop particular sectors nationally.

Sponsorship conference to be held in London

By James McDonald

COMPANY accountants can measure the amount spent on commercial sponsorship of sports and the arts. In Britain it is estimated at over £100m a year.

But they cannot calculate what return this spending brings. So a company of conference promoters—National Presentations—is spending £50,000-£70,000 to mount a grandly-named World Congress on Sponsorship of Sport and the Arts in London in November, so senior managers of sponsoring companies can exchange experiences.

Simon Taunton, managing director of the promoting company, said in London yesterday: "We believe senior management in industry and commerce need to be better informed on the commercial implications of sponsorship, particularly as it touches the development of their business."

"We have, therefore, created a forum which will inform and educate." Speakers at the conference will include Sir William Res-Mogg, chairman of the Arts Council and a former editor of The Times; Dickie Jeeps, chairman of the Sports Council; Giulio Malgara, chairman and managing director of Quaker Italy; and Luke Ritterer, of the Association for Business Sponsorship of the Arts.

The objectives of the conference—to be held at the National Westminster Hall in Bishopsgate, London, from November 3 to 5—will include trying to find out what commercial sponsorship means. And getting down to the real point of the conference exercise, speakers will study ways and means of improving the organisation of sponsored events so that maximum publicity may be achieved.

Devolution 'no help to Scottish economy'

By MARK MEREDITH, SCOTTISH CORRESPONDENT

SCOTLAND would not benefit economically from devolution, according to a book published tomorrow.

The authors say that the outlook for the Scottish economy over the next few years is bleak although the country is well placed to meet the demands of high technology-based recovery when it comes.

The Renaissance of the Scottish Economy? by Charlotte Lythe of Dundee University and Madhavi Majumdar of Paisley College of Technology says the economy is bound inextricably with the rest of the country and accounts for about a tenth of economic activity in the United Kingdom.

Scotland has little control over its economic destiny and major instruments for the management of an economy cannot be exercised independently for Scotland, the authors say.

"Unless Scottish industry agrees to accept a really radical restructuring, devolution would have very little economic effect for a substantial number of years... so constitutional developments would have little economic relevance."

The authors add: "The close historic links between Scotland and England would cause a noticeable population movement."

from Scotland to England if Scottish real wages were to be reduced in an attempt to reduce Scottish unemployment, while English real wages were unchanged.

Past experience suggested that, whatever happened in the UK, things would be a little worse in Scotland, the authors comment. Examining Scottish income and output since 1954 they say that Scottish expenditure usually exceeded output so that the region, in some sense, was importing more than it exported.

Government expenditure was also disproportionately important for the area making it more vulnerable to public sector cuts.

On the brighter side, the book argues that one achievement of the European Community's regional policy has been a fundamental change in the structure of the economy from old to new industries. "Provided that the current view that future developments lie in fields like microelectronics and bioengineering is accurate, Scotland now has an industrial structure well suited to the demands of the future."

The Renaissance of the Scottish Economy? Charlotte Lythe and Madhavi Majumdar, George Allen and Unwin, £8.95.

Sale of 12 De Lorean cars raises £140,000

By OUR BELFAST CORRESPONDENT

TWELVE De Lorean cars came under the auctioneer's hammer in Belfast yesterday, raising more than £140,000.

It was the first time the controversial car had gone on sale in Europe, but De Lorean, which is in the hands of the receivers, will not benefit from the sale.

The cars were auctioned by Northern Ireland Carriers, the haulage group which seized the vehicles—backed by a High Court order—in respect of £70,000 owed by De Lorean in transportation costs.

The auction attracted about 400 people and lasted 28 minutes.

The average price for each car was £12,000. Mr Eric Cairns,

the auctioneer, said: "There is definitely a market for De Loreans in the UK and in the rest of Europe."

Mr Cairns said Northern Ireland Carriers would be left with about £50,000 from the auction once they had paid all their expenses.

The receivers made a mistake when they wanted these cars. They felt the auction would be bad for the image of De Lorean."

The Government is expected to receive a rescue plan this week from the De Lorean Motor Company Incorporated of New York, with Mr John De Lorean, the firm's founder, thought to be taking a back seat in the project.

Call for 'fresh start' through Ulster elections

By OUR BELFAST CORRESPONDENT

WITH ONLY two weeks to nomination day for the new Northern Ireland Assembly a plea came yesterday from clerics, business owners, academics, and hospital consultants for Northern Ireland people to make a fresh start.

About 200 signed a petition and placed an advertisement in the Belfast Telegraph.

Their letter said: "We are Ulster men and women of varying traditions. Most of us work and live in Northern Ireland. We share a common concern for its economic and political wellbeing."

"After 13 years of bloodshed, grief and destruction, much talk and little positive action, we believe the people

of Northern Ireland must make a fresh start."

Among the demands in the letter are renunciation of violence, a share in government for Catholics and Protestants and no change in the link with Westminster without majority approval.

Meanwhile, Mr James Molyneux, the Official Unionist leader, said there could be no return to direct rule if the Assembly failed.

He said the House of Commons would not allow a Northern Ireland Secretary to report that the Assembly had not worked and therefore the only alternative was to return to direct rule.

Liberal assembly unlikely to hear Alliance protests

By IVOR OWEN

LIBERAL ACTIVISTS who hold the minority view that Mr David Steel has made too many sacrifices to achieve an electoral alliance with the Social Democrats will have little opportunity for protests at the party's annual assembly in Bournemouth next week.

Procedural strategems proposed by the party managers will deny delegates any chance to move amendments to two key Liberal-SDP joint policy statements on the economy and on electoral and constitutional reform.

The assembly committee's decision that it would be "inappropriate" to permit such amendments reflects the determination of the Liberal leadership to discourage any rocking of the Alliance boat.

Mr Paul Hannon, chairman of the assembly committee, "confidently forecast in London yesterday that next week's proceedings in Bournemouth will mark a transition from working out the logistics of the Alliance to developing and presenting a joint programme for a "radical and reforming government."

Unless their hands are forced

by the procedures which permit the introduction of emergency or topical motions, the party managers believe they can keep defence of the agenda and thus avoid a repetition of the embarrassment suffered by Mr Steel last year when the assembly voted in favour of unilateral nuclear disarmament.

His immediate repudiation of that decision was a decisive factor in preserving a harmonious relationship with SDP leaders and ensuring the subsequent formation of the Alliance.

But Mr Steel's action was resented by a number of leading Liberals who are anxious to pre-empt the assembly's role as the party's main policy-making body.

Mr Viv Bingham, the outgoing president of the party, makes an oblique reference to this constitutional issue in the current edition of the party's weekly paper, Liberal News.

He stresses the importance of the machinery which enables Liberal views to be presented at ward, constituency and national level.

Ed Berman goes from Elsinore to inner city

By Elaine Williams

THE MAN who once performed a 15-minute version of Hamlet on top of a double decker bus hopes to help voluntary organisations make a greater contribution in decaying urban areas.

He is Mr Ed Berman, newly appointed adviser to Mr Michael Heseltine, Secretary of State for the Environment. The American-born founder of the Interaction charity group, based in north London, has a nine-month appointment to encourage voluntary groups to set up projects, such as businesses and training workshops.

Mr Berman, now a British citizen who was awarded the MBE two years ago for his community work, describes himself as an eccentric. He pioneered city farms, and organised a Father Christmas union as well as giving his short performance of Hamlet. Though some voluntary organisations have been surprised by the appointment, Mr Berman seems to have no doubt about his suitability for the job.

"I bring with me 15 years of community experience in the back streets of London," he said, "I hope to come up with some interesting ideas."

"This Government and past governments have continued to see the advantage of encouraging the voluntary sector."

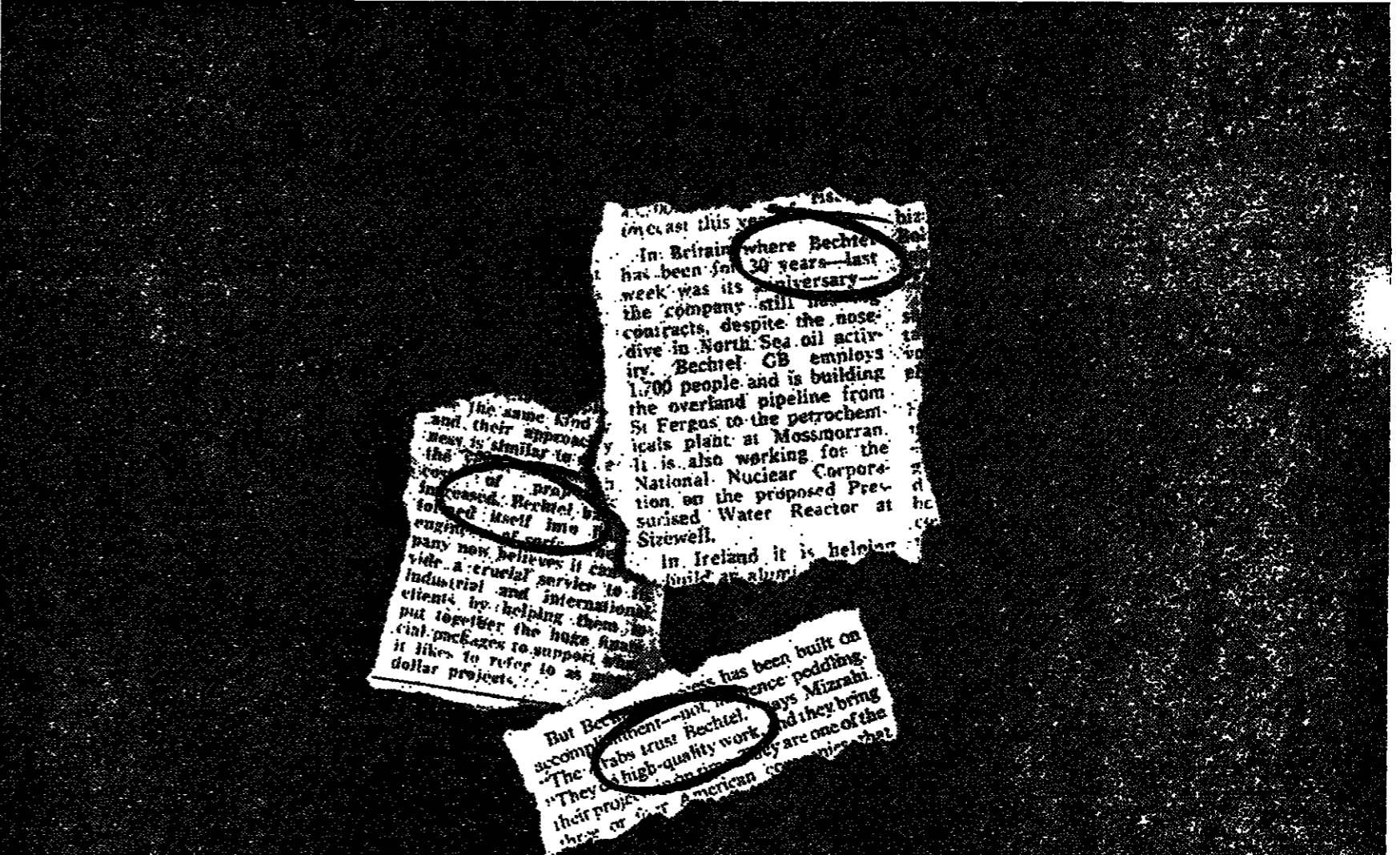
"Government has a role. It can make it easier or more difficult for people to do voluntary work," he said.

Mr Berman will begin his work by looking at the existing inner city schemes, suggesting improvements or even additional funding. Mr Heseltine will then decide which schemes should be supported.

Mr Berman set up Interaction in the heady days of the 1960s when people were looking for alternative societies, but now it has become almost part of the establishment. It operates as a series of independent charitable companies with wide interests in the community.

As well as its pioneering work on city farms, it operates fringe theatre and training workshops and runs a school for teachers. Two thirds of its funds come from grants and donations from organisations such as Marks and Spencer, the Arts Council and Camden Borough Council.

Interaction has also set up an advisory service to help other voluntary organisations start community projects throughout the country. For example, Molly Lowell at Interaction ran computer camps in the summer to introduce local children to computer technology. Now she is helping other groups set up similar schemes.



THE BEST PART OF OUR WORK NEVER HITS THE HEADLINES.

The massive, multimillion dollar megajobs are the ones that make news. They demonstrate the extent of our capabilities, our skills, our global reach. But some facts never get reported.

Bechtel is established in London. And has been for 30 years. And is currently applying its resources to meet the challenge of the 80's. With small projects as well as large. In developing countries as well as Europe. On new technologies as well as old.

We're engaged in modernisation programmes like the BP refinery in Llandarcy. Energy-conservation for Esso in Fawley. New technologies like the tension leg platform for Conoco.

Offshore development projects including Mobil's Beryl B. And projects for developing nations: we're involved in the Balikpapan refinery in Indonesia and the petrochemical plant in Yanbu, Saudi Arabia.

They're all handled by Bechtel engineers in London where we have the resources and the readiness to meet change with change.

Write for further information. Or phone John Smythe on 01-846 5111. Bechtel Great Britain Limited, Bechtel House, PO Box 739, 245 Hammersmith Road, London W6 8DP.



London meets the challenge of the 80's.

With acknowledgements to: Financial Times; Sunday Times Business News; Newsweek International.

Advertisement for Punch magazine featuring a rat and the text: YOU'RE A SLIMY BOOTLICKING CRAWLING RAT CARRUTHERS. WELCOME TO THE BOARD! Special Business Edition. September 15th. Punch

UK NEWS - LABOUR

Papers face day of action blackout

BY DAVID GOODHART, LABOUR STAFF

THERE WILL be virtually no morning or evening papers published in Britain on September 22—the TUC day of action for the health workers—following yesterday's decision of the National Graphical Association national council to instruct its 136,000 members to withdraw their labour.

The council said NGA members on national and provincial morning newspapers will not report for work on September 21. All NGA members in every other sector of the printing industry will not report for work on September 22. Only non-union papers will be published. The Newspaper Publishers Association Council, which represents national newspaper employers, meets today to discuss the one-day stoppage. It is by no means certain to reaffirm the hard line which led it to take a successful injunction against the Fleet Street electricians' branch last month.

A strong lobby within the council believes that the likely nationwide participation in the stoppage by all the print unions rules out injunctions as an effective response. It is felt that the Fleet Street papers should not put themselves in the firing line at a time when employers' organisations are advising their members to stand back from legal action. The Confederation of British Industry and the Institute of Directors are leaving it to their members as to whether to take out injunctions. Both organisations have made it clear they do not believe this is the time for a legal showdown.

But the Freedom Association, which has taken successful legal action against trade unions, said yesterday that it had not ruled out taking action against breaches in the 1980 Employment Act. The Newspaper Society, which represents provincial employers, said last night that its members would make every effort to publish on September 22.

The National Union of Journalists will decide today what action to take on September 22. The day of action but the National Newspapers and Agencies Industrial Council of the NUJ has said it does not believe journalists should break the law.

The three rail unions will also decide today what action to take on September 22. Buses will stop between noon and 2 pm on the day and other bus drivers around the country are expected to hold similar two-hour stoppages.

Some independent TV stations may be blacked out all day following the decision of the Association of Cinematograph, Television and Allied Technicians to urge their members to strike between 5.30 and 8.30 pm. Local branches will decide whether to back the action later this week but Mr Ron Warden, managing director of Harlow TV, said yesterday that the station would suit for the day if the action went ahead.

Mr David Sumner, industrial relations director of the Independent TV Companies Association, said no steps would be taken until it was known what action the ACTT branches had planned. The Association of Broadcasting Staffs, which represents 15,000 staff in the BBC, has urged all members to stop work for one hour.

Standard Chartered BANK PLC



INTERIM REPORT

Standard Chartered Bank reports Group profits before taxation for the six months ended 30th June, 1982, of £100.9 million (1981: £139.2 million). Profits after taxation and minority interests were £45.9 million (1981: £68.9 million) representing 35.4 pence per share (1981 restated 53.2 pence per share).

On Historical cost basis (unaudited)	Six months ended 30th June 1982	1981	Year ended 31st Dec. 1981
Trading profit of the Bank and its subsidiaries (Note 1)	104.4	133.2	254.2
Share of profits of associated companies	14.8	17.6	32.8
Interest on loan capital	119.2	150.8	287.0
Profit before taxation	18.3	11.6	26.6
Taxation:			
The Bank and its subsidiaries (Note 2)	38.2	52.2	89.4
Associated companies	6.5	6.7	12.5
Profit after taxation	56.2	80.3	158.5
Minority interests	10.3	11.4	23.6
Profit before extraordinary items	45.9	68.9	134.9
Extraordinary items	—	1.1	—
Profit attributable to Standard Chartered Bank PLC	45.9	70.0	134.9
Dividend	11.9	11.9	31.9
Profit retained	34.0	58.1	103.0
Earnings per share (Note 3)	35.4p	53.2p	104.1p
Dividend per share (Note 3)	9.2p	9.2p	24.7p
(Gross equivalent)	(13.1p)	(13.1p)	(35.2p)

On Current cost basis (unaudited)	Six months ended 30th June 1982	1981	Year ended 31st Dec. 1981
Trading profit of the Bank and its subsidiaries as in the historical cost accounts	104.4	133.2	254.2
Current cost adjustments—Monetary working capital Additional depreciation	32.4 3.7	42.9 3.5	68.8 7.5
Current cost operating profit	68.3	86.8	177.9
Interest on loan capital Less: Gearing adjustment	18.3 6.7	11.6 6.8	26.6 10.9
Current cost profit of the Bank and its subsidiaries	11.6	4.8	15.7
Share of current cost profits of associated companies	56.7	82.0	162.2
Current cost profit before taxation	10.6	16.0	27.5
Taxation	67.3 44.7	98.0 58.9	189.7 101.9
Minority interests	22.6 4.4	39.1 4.0	87.8 12.8
Current cost profit before extraordinary items	18.2	35.1	75.0
Extraordinary items	—	1.1	—
Current cost profit attributable to Standard Chartered Bank PLC	18.2	36.2	75.0
Dividend	11.9	11.9	31.9
Current cost profit retained	6.3	24.3	43.1
Current cost-earnings per share	14.0p	27.1p	57.9p

NOTES TO THE HISTORICAL COST GROUP RESULTS
1. The charge to trading profit of the Bank and its subsidiaries for bad and doubtful debts is as follows:—

	Six months ended 30th June 1982	1981	Year ended 31st Dec. 1981
Specific	44.4	20.4	44.8
General	1.4	3.5	10.6
	45.8	23.9	55.4

Two-year phased pay deal for ITV staff

By David Goodhart, Labour Staff

The Independent Television Companies Association has clinched a two-year pay deal with its 10,000 production, technical, and manual staff, giving an 8 1/2 per cent rise this year and one in line with the Retail Price Index from June next year.

The deal has been accepted by the Association of Cinematograph, Television and Allied Technicians, which has about 5,000 producers, directors and technicians in independent TV companies: the National Association of Theatrical, Television and Kiné Employees, with about 4,800 stagehands, make-up artists and technicians; and the Electrical, Electronic, Telecommunications and Plumbing Union, with 780 members.

The National Union of Journalists has not yet reached agreements with ITCA, which acts on behalf of all 15 independent companies. Industrial trouble is brewing at Channel 4 over a dispute about switching arrangements for commercials to be broadcast on the new channel.

Young Workers Scheme 'doubts'

BY JOHN LLOYD, LABOUR EDITOR

THE GOVERNMENT yesterday said the 100,000th school-leaver had been taken under the Young Workers Scheme. But new research findings claim that the basis for the scheme is in doubt.

The scheme, introduced at the instigation of Professor Alan Walters, the Prime Minister's economic advisor, pays employers £15 a week for each worker under 18 taken on at a wage less than £40.

It has been heavily criticised by the TUC for attempting to undermine union rates of pay, but strongly defended by the Government as expanding employment opportunities.

Research soon to be published by Professor David Metcalf, Professor of Economics at Kent University, supports the TUC claim, and says evidence that a big reason for youth unemployment is high pay for youth relative in adult workers is "weak".

Murray to be confirmed as Boilermakers' chief

BY JOHN LLOYD, LABOUR EDITOR

MR JAMES MURRAY, whose tenure of the post of general secretary of the Boilermakers Society has been under continual challenge for the past two years, will be finally confirmed in the post next Monday.

The Boilermakers' executive council invited him to take up the post after the council investigated complaints of irregularities in the conduct of the second ballot for his post.

The complaints arising from the second ballot have now been dealt with.

The Boilermakers' executive has urged its 120,000 members to vote for a merger with the General and Municipal Workers Union and the ballot result is expected early next month.

Under the merger terms, Mr Murray would become the second senior officer of the new amalgamated union until he retires in a few years' time.

How to compare Executive Pension Schemes

If you are concerned with assessing the merits of individual executive pension schemes you know that it can be both difficult and time-consuming. That is why the new fifth edition of Executive Pensions will be invaluable to you.

Executive Pensions looks at over 90 pension schemes currently on the market and provides a full analysis of the three main types of policies available: with profits, unit-linked and deposit administration.

The new fifth edition of Executive Pensions makes for easy reference and straightforward comparisons, and is the vital handbook to have at your fingertips. To obtain your copy, simply complete and return the order form below, now.

To: The Book Sales Department, Financial Times Business Publishing, Gray's Inn Place, Fetter Lane, London EC4A 3DF, U.K. Tel: 01-405 8582.

Please send me...
 1 copy of Executive Pensions, Price £12.50 plus £1.80 postage and packing.
 5 copies or more.
 I enclose a cheque for £... made payable to F.T. Business Publishing or
 Debit my credit card (authorisation)
 American Express Diners Barclaycard/VISA Access

Card Number: [] [] [] [] [] [] [] [] [] [] [] []
 BLOCK CAPITALS PLEASE
 Name/Ms/Miss [] [] [] [] [] [] [] [] [] [] [] []
 Job Title [] [] [] [] [] [] [] [] [] [] [] []

Please allow 28 days for delivery. Refunds are given on books returned in perfect condition and within 7 days of receipt.
 Registered Address: Broken House, Cannon Street, London EC4A 3DF.
 Registered Number: 250056, Bank Account: Midland Bank, 8 Threadneedle Street, London EC2R 8RH, Account Number: 80067811.

TABS

Accounting Business Systems

The UK's most popular Accounting System now being used by leading accounting practices.

Increased power on the new generation DRG VICTOR 3900.

Andover (0264) 58933 write to TABS Ltd. 5, Sheepen Road, Colchester, Essex, CO1 1LN. For DRG Computers Machines and Software Contact: Westwood House, Mill Lane, Andover, Hampshire, GU10 1PH.

In war, in peace you need his help

When help is needed, please help him and his dependants

A donation, a covenant, a legacy to THE ARMY BENEVOLENT FUND will help soldiers, ex-soldiers and their families in distress

QUORUM

HEATHROW TO OPORTO DIRECT.
Twice weekly flights, Executive Class with first class service for Economy Fare.
Daily flights to Lisbon too.

EXECUTIVE CLASS AIR PORTUGAL
Better any day of the week.

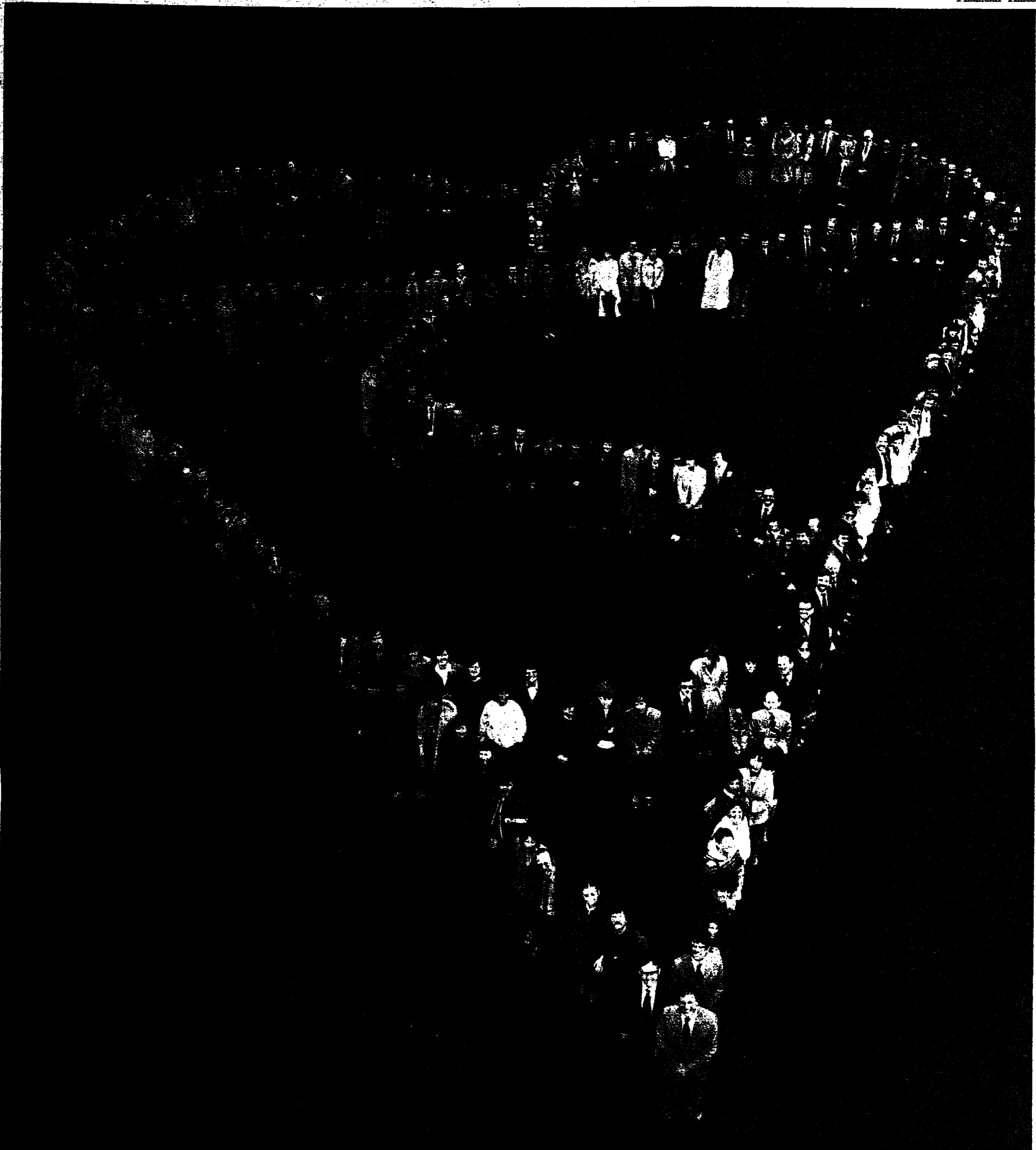
Contact your Travel Agency or ring London 01-828 0262, Birmingham 021-643 5264, Manchester 061-499 2161, Glasgow 041 332 6767, Prestel 3442602.

The Algarve. Where Greens are Greener.

See how lush greens and the world's best golf. Play 6 championship courses with reduced green fees persons staying at one of our hotels, villas or apartments.

It's all in the holdings brochure with holidays in Portugal from £118 including car hire and departure from Gatwick, Luton, Manchester or Glasgow. Call 01-898 0811 or 01-898 8220 24hrs. St. Augustine.

TWIGGENHAM
Travel Agents Ltd., Ltd., 12, Fleet Street, London EC4A 3DF. Telephone 01-898 0811. Telex: 635 6881



TESTED AND APPROVED.

British Standards Institution was offered Regional Development Grants and the like to move its Commercial and Information departments to other places.

We offered them a lot of help and advice, as well as all the space they're ever likely to need at a location just

off the M1, with an Inter-City station on the main Euston to Birmingham rail route.

BSI decided that nowhere else conformed to our standards.

Milton Keynes.

For details of offices at Central Milton Keynes contact: The Commercial Director, Milton Keynes Development Corporation, Watendon Tower, Milton Keynes, MK1 7 SLX. Telephone: Milton Keynes (0908) 74000.

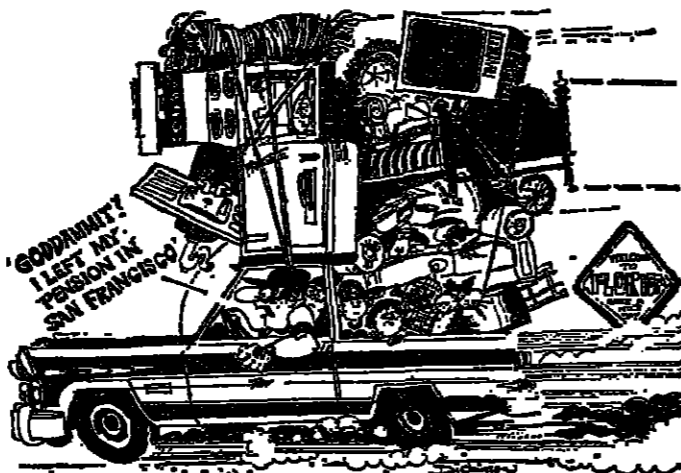
THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

The portable pensions conundrum: America takes evasive action

AMBITIOUS EXECUTIVES are often tempted to move from one company to another. But as many have found to their cost in Britain, there is a major, contentious, drawback to taking such a step: company pension rights cannot be transferred. So any executive who moves, say, three or four times in his or her career may end up having

paid into a similar number of occupational pension schemes which provide an extremely low combined pension. The problem is not peculiar to the UK; even in the US—so long seen as a model of job mobility—the same pensions problem has been rearing its head. In the article below, LOUIS KLEBER discusses how it is being tackled.



ALTHOUGH the private pension industry in the United States has been creditably responsive to the needs of working men and women, the lack of pension portability has been a significant shortcoming. Essentially, portability is the facility that would allow an employee to transfer earned pension credits from one employer to another.

And, so long as the worker remains in an employer group covered by that union, he has portability. But unions represent only part of the workforce, and men and women will often move in and out of union status in their employment patterns.

No one is to blame for this situation. Employers cannot be faulted for having vesting service requirements. Understandably, pension plans are designed for career and long term employees, and it is the knowledge that he may shortly be vested in his pension that may help to induce a valuable employee to stay on.

Still the problem is a major one for millions of Americans in an economy where the mobility of people at all levels is an accepted fact. The problem is not unique to the United States. Britain's then secretary of state for social services, Patrick Jenkin, said earlier this year: "If employers' pension schemes do not act to do more to encourage job mobility, government will come under pressure to legislate."

The portability problem was recognised in the U.S. in the vast studies and debates leading up to the landmark Employee Retirement Income Security Act of 1974 (ERISA). The stumbling blocks to true portability among private pension plans were then, and still are, formidable. Complex and extensive laws and regulations would be needed for any scheme with another layer of bureaucracy added to the Federal government. Some common standards would have to be developed to accommodate transfers between different types of plans and amendments made to the thousands of existing plans.

The technical problems alone are great. For example, most plans are not fully funded.

Would a vested employee be allowed to take a "fully funded" lump sum to another employer's pension plan? That could prejudice the funded status of pensions for the remaining participants. Could a form of "discounting" be established that would provide for transferred benefits to be valued according to their currently funded status? And what about the funded status of the plan to which they were being transferred? For these and other good reasons, workable alternatives were required to meet the need in the foreseeable future.

person who changed jobs. However, a very material corrective step has been taken and others are under consideration. The Economic Recovery Tax Act of 1981 expanded the dollar limits of IRAs and removed the requirement that an employee not be covered under an employer's qualified plan. Now, he or she could have both and at least provide some measure of retirement security through an IRA that would remain in effect, no matter how many times he changed employers. And, as provided for under the original ERISA legislation, he could "roll-over" any distribution received from a qualified plan into an IRA, provided it was done within 60 days, and avoid taxation on the distribution. The money would simply go into one tax-exempt medium to another.

Corrective

ERISA helped people who were not covered by qualified (government approved) pension plans by allowing them to establish Individual Retirement Accounts (IRAs) to take a tax deduction on contributions of up to 15 per cent of earnings, subject to a maximum of \$1,500 a year. The contributions to an IRA and earnings from related investments were then to be exempt until actual receipt at which time the ordinary tax rate would apply.

In order to encourage people to leave funds in the IRA, any withdrawal before age 59½ carried a 10 per cent excise tax on top of the regular tax. Withdrawals had to begin by age 70½. But IRAs were allowed only if an employee was not covered under the employer's qualified pension, profit sharing or similar type of plan. This did not do much to help the average

Capital accumulation plans will frequently be found in one form or another as a companion to the typical defined benefit pension plan. Commonly, it will be a profit sharing or thrift savings plan. Under profit sharing plans, a percentage of adjusted net profits may be proportionately allocated by salary among employees. Under a thrift savings plan, the employer will match a portion of the amount saved by the employee. In both cases, the moneys are invested through a tax-exempt trust, and taxation to the individual occurs only when a distribution is received.

Another currently appealing route lies with salary reduction plans, the so-called "401 (k)" plans named after that section of the U.S. Internal Revenue Code that allows the employee to take a reduced salary and be taxed on the reduced amount. The amount of the reduction is then directly placed in a tax-exempt medium by the employer—a thrift savings plan for example. The account is immediately and fully vested. Social Security taxes, which are shared equally by employer and employee, are paid only on the taxable reduced salary.

Thus, while true portability still does not exist, there are a number of routes open to capital accumulation that can fill the eventual need for an adequate pension.

H. L. Mencken, America's master of social satire, once observed that there is a solution to every problem which is neat, simple and wrong.

However slow it may be, the President's Commission is making progress and avoiding this pitfall.

Louis Kleber is a manager with Peat, Marwick, Mitchell & Co in New York.

BOARDROOM BALLADS

EVERY DOG HAS HIS DAY

When things are tough, I while away
The tedium of the working day
Rehearsing what I'm going to say
The day I take my pension;
And after forty years, or so,
I recommend my parting show,
For, brother, what a way to go,
And let off all the tension!

The scene: my main director stands,
My gold watch in his clammy hands,
And jingles like india rubber bands,
To give his valediction;
And, to applause, I say I think
It's nice to meet the missing link
When not, for once, the worse for drink
Displaying his affliction!

And then to everyone's delight
I ask the chairman, on his right,
To step outside the door and fight
And net his due compensation;
Or would he rather I announce

His special numbered bank accounts
In Zurich where his cash amounts
To something more than tuppence.

And then by way of coup de grace,
I empty out the silly ass,
The contents of my brimming glass,
To shouts of acclamation;
And casually tell the fools
There's going to be a change of rules,
I've won a fortune on the pools
And bought the corporation.

But just as I'm about to call
The Board to meet and sack them all,
The voice next door begins to bawl
That something needs revising;
A hundred times a day, it seems,
He interrupts me with his screams;
What good's a boss who spoils your dreams?
So much for fantasising!
Bertie Ramsbottom

Next week: The acquisition trail

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Remortgages

I understand that following months of negotiations between the Inland Revenue and the Building Societies Association, mortgage repayments may be made net of basic rate tax commencing April 1983. Although this calculation is simple for endowment mortgages where interest only is paid to the building society, I understand that a special schedule has been agreed for the annuity-type mortgage. I am required to give professional advice on these matters and would like to know: (1) Will bank mortgages receive the same treatment as building society mortgages and payments permitted to be made net of basic rate tax? (2) Will both building society and bank mortgages be permitted to be paid net? I refer, of course, to bona fide remortgages whereby the mortgage replaces the previous house purchase mortgage of up to £25,000 to exactly the same sum.

(1) The Treasury intends to make an order bringing many banks into the scheme; so the answer to your question depends on which particular bank you have in mind. (The future treatment of annuity-type mortgage payments may vary between one bank and another, even though both banks be brought into the scheme.) (2) (a) If the remortgage takes place before the scheme starts, the answer is yes. (b) If the remortgage takes

place after the scheme has come into operation for the original mortgage, the strict answer appears to be no, as the law is drafted. However, the Inland Revenue apparently intended the answer to be yes, and so it seems likely that the scheme will be extended to approved remortgages by extrastatutory concession (or by amending legislation next year).

Farm partners

A friend of mine who is in full-time engineering employment wants to go permanently into farming. As a first step he asked me to go into partnership with him to buy a small piece of land by way of experiment. We have bought 16 acres of arable land in a place near where he lives and we anticipate that for the first few years our two full-time non-farming jobs will have to subsidise our farming venture especially as we have had to borrow heavily from the bank to buy the land.

We would like your views on whether we will be dismissed as hobby farmers or whether the various farming expenses including interest charges on the bank loan can be offset not only against the farm income but if necessary our other non-farm incomes. In my own case there is the additional problem of whether I will be regarded as a sleeping partner though I fully intend to participate in

the proposed cereal cropping which demands a low number of man-days/acre.

In general, how would this sort of venture be viewed—as tax avoidance, part-time hobby or as in our case a prudent small step before taking the big plunge? We have hired an accountant and asked him the same questions to no avail.

As your accountant has no doubt explained, the test which you will have to satisfy is that the husbandry has been "carried out on a commercial basis with a view to the realisation of profits." From the bare facts outlined, it looks as though your prospects of convincing a body of General Commissioners next year that that test has been satisfied are very slim, unfortunately. On the other hand, we do not foresee any difficulty in establishing that you are a "partner personally acting" (ie not a sleeping partner).

With reference to our reply on September 1 under CGT exemption, we are advised that our interpretation of the Capital Gains Tax Act 1979 is incorrect and that exemption from capital gains tax on the sale of a business is available for fractions of the year following the taxpayer's 60th birthday.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

YOUR COMPUTER SOFTWARE: COST-EFFECTIVE OR COST A FORTUNE? Package Programs Limited

DISTRIBUTION OF STATISTICAL DATA BY COMPUTER. The Cabinet Office is seeking an agent to market and distribute macro-economic statistical data using magnetic tape, on-line links and other suitable media.

NOTICE TO HOLDERS OF NIPPON KOGAKU K.K. 5% U.S. DOLLAR CONVERTIBLE DEBENTURES DUE MARCH 31, 1982

ESG A One Day Conference RAISING RISK CAPITAL & MANAGEMENT BUY-OUTS. The Speakers: E. F. ARMSTRONG, M. R. CUMMING, N. A. B. JENKS, J. MOULTON, C. GREGORY, D. S. BAGGETT

DAVIDS ASSEMBLIES. Jack Collier, Director, St. David's Assemblies, St. David's, Dyfed. "St. David's Assemblies is a 'family' company, based in the unusual setting of the City of St. David's. We have been here for over 31 years, manufacturing thermostats and electronic components for our parent company, Otter Controls, Buxton, Derbyshire.

Our pen, £1.38. Your pen, £1.38. Until October 31st, 1982, the Parker Pen Company is making a rather remarkable offer. Order six hundred or more of our sleek new Roller Ball pens, and we'll print them with your company name and logo absolutely free.

NOTICE TO HOLDERS OF FUJISAWA PHARMACEUTICAL COMPANY LIMITED 5 1/2 PER CENT CONVERTIBLE BONDS DUE 1986

NOTICE TO HOLDERS OF FUJITSU LIMITED 5% PER CENT CONVERTIBLE BONDS DUE 1986

"We chose Dyfed" TOMORROW COUNTY a place to live, work and play. Find out more about why Jack Collier feels Dyfed County is a better place to do business. Visit us during the special Dyfed Presentation at the Regent Palace Hotel, Piccadilly from the 21st to the 23rd September.

Give the whole company a raise with Selwyn Thermography. For free brochure and sample ring Bryan Wareing on 0284 62201. BUILDING SOCIETY RATES. Every Saturday the Financial Times publishes a table giving details of BUILDING SOCIETY RATES on offer to the public. For advertising details please ring: 01-244 8000 Ext. 2446

FUJISAWA PHARMACEUTICAL COMPANY LIMITED. By: The Bank of Tokyo Trust Company as Trustee. Dated: 15th September, 1982

FUJITSU LIMITED. By: The Bank of Tokyo Trust Company as Trustee. Dated: 15th September, 1982

Handwritten note in Arabic script: "مكتبة المصارف"

FINANCIAL TIMES

Eurobond Quotations and Yields



The Association of International Bond Dealers

at 31st August 1982

The Association of International Bond Dealers (AIIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled for quotations obtained from market-makers on the last working day of each month.

Eurobonds in August

BY OUR EUROMARKETS STAFF

A HEAVY \$1.12bn of new paper was launched in the Eurodollar market during the first week of August. Declining U.S. dollar interest rates and the cut in the U.S. discount rate on July 30 were mainly responsible.

As other borrowers continued to launch new issues in the Eurodollar sector, taking advantage of the lower interest rates, investors became increasingly selective and the appeal of the warrant deals quickly faded, with prices falling below their initial value.

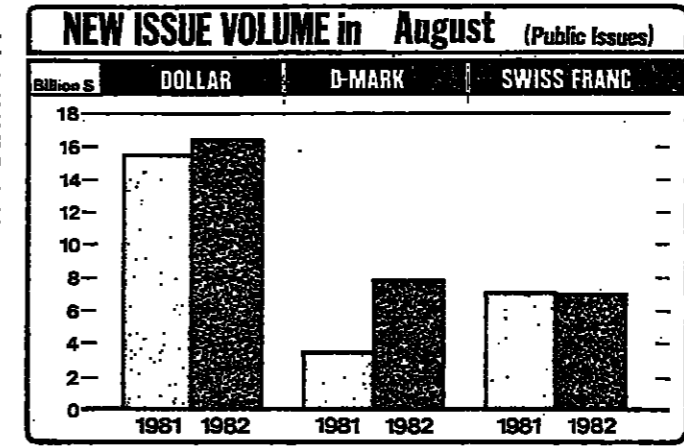
At the same time the market became confused and nervous on the news of a proposed change in the U.S. tax law which would forbid the payment of interest or principal to U.S. residents holding bearer bonds.

In the domestic UK market S. G. Warburg announced on August 25 that it was arranging a \$75m bulldog bond for Electricite de France. This 26-year issue was priced at 97.058 with a margin of 1.5 per cent over the equivalent British Treasury 10-year issue for the Mortgage Bank of Denmark, whose price of 99 was judged as too low by the market.

The Swiss franc sector again saw a steady volume of new paper throughout the month. This sector also had its casualties, however, with a planned issue for Ferrovie dello Stato, the Italian state railway, being withdrawn by Sottile. It is believed that the issue would have had to carry a high 8 per cent coupon.

The real casualties in all sectors in August, however, were South American and especially Mexican, paper, following news of Mexico's foreign debt problems. In Switzerland, trading in Mexican bonds was temporarily halted on August 12.

Also in the Swiss franc sector, Sottile brought an unusual and attractive dual currency issue to the market. This was for IC Industries and involves the payment of interest in Swiss francs and the principal in dollars.



The announcement on Thursday, August 26 of the discount and Lombard rate cuts in Germany and Switzerland had been largely anticipated by the market. Both sectors showed price gains on the month of almost one point, but in the Eurodollar sector the price rise contained 10 planned issues for the following four weeks, total-

CONTENTS

Table listing various bond categories and their corresponding page numbers, including US Dollars, Japanese Yen, and various international currencies.

The table of quotations and yields gives the latest rates available on August 31, 1982. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will take in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

stock, the lowest yield yet seen on a bulldog bond. In West Germany unfavourable market conditions at the beginning of August led West LB to withdraw the DM 100m

The new calendar, set by the West German Subcommittee of Capital Markets on August 16, contained 10 planned issues for the following four weeks, total-

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY DATASTREAM INTERNATIONAL LTD

Main table of bond quotations and yields, organized by currency and country. Columns include issue name, denomination, coupon rate, and yield.

R... h... B... PR... ec... on... ha... st... pu... co... del... a... sta... m... ar... an... ge... ins... sit... at... cut... SU... po... st... pu... br... ce... by... sur... an... ha... se... U... da... to... f... W... G... th... ph... th... p... m... d... cl... d... re... v... e... on... C... h... h...

Main table of financial data with columns for company names, stock prices, and other metrics. Includes sub-sections like 'IN DOLLARS - DENMARK (CONTINUED)', 'IN DOLLARS - FRANCE (CONTINUED)', etc.

Continuation of the main table of financial data, including sub-sections like 'IN DOLLARS - GERMANY (CONTINUED)', 'IN DOLLARS - SWITZERLAND (CONTINUED)', etc.

Handwritten signature or mark at the bottom center of the page.

Handwritten signature or scribble at the top center of the page.

Main table of financial data, organized into columns for different market categories such as 'UK GOVERNMENT', 'UK CORPORATE', 'EUROPEAN', 'US GOVERNMENT', 'US CORPORATE', 'CANADIAN', and 'ASIAN'. Each column contains multiple rows of data including bond names, maturities, and prices.

Continuation of the financial data table, covering the lower half of the page with similar columns for various market categories and bond listings.

Main table of financial data with multiple columns for various securities, including company names, prices, and yields.

Continuation of the financial data table, covering a wide range of international and domestic securities.

Handwritten signature or scribble at the bottom center of the page.

WestLB Euro-Deutschmarkbond Quotations and yields

Handwritten signature or mark at the top right of the page.

Main table of WestLB Euro-Deutschmarkbond Quotations and yields. Columns include Name, Bid Price, Offer Price, Yield, and various other financial metrics.

WestLB: SD Certificates (Schuldschein-Index) 5 years maturity: 8.95%

Table of WestLB SD Certificates (Schuldschein-Index) with 5 years maturity at 8.95%. Lists various certificates and their corresponding prices and yields.

WestLB For current prices and further information call

Contact information for WestLB, including addresses in Düsseldorf, London, and Luxembourg, and telephone numbers.

Westdeutsche Landesbank Girozentrale Leading Marketmakers in Eurobonds

Table of Westdeutsche Landesbank Girozentrale Leading Marketmakers in Eurobonds. Lists various Eurobonds and their market prices.

WestLB Euro-Deutschmarkbond Yield Index August 31, 1982: 9.59% (July 31 1982: 9.54%)

Table of WestLB Euro-Deutschmarkbond Yield Index for August 31, 1982, showing yields for various bond categories.

Quotations (Continued)

Table of financial quotations including columns for Name, Maturity, Current Yield, Yield to Maturity, and Dividend. Lists various international bonds and funds.

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios

Quotations & Yields as at 31st August, 1982

SOCIETE GENERALE DE BANQUE BANQUE GENERALE DU LUXEMBOURG

Table with columns: Funds, 31/8/82, Price, First Issue, Yield %, Div. Date. Lists investment funds like Capital, Capital Rentinvest, etc.

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times.

Proposed publishing dates:

- 1982
Tuesday 14th September
Wednesday 13th October
Thursday 11th November
Tuesday 14th December

There is a limited amount of advertising space available each month. If your company is interested in taking advantage of this offer, please contact:

The Financial Advertisement Department on 01-248 8000 Ext. 3266 or 3461

Large table of financial data with multiple columns for various securities, including company names, prices, and yields.

This announcement appears as a matter of record only.

July 1982

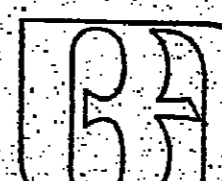


Guaranteed by The Republic of France U.S.\$165,000,000

U.S. Dollar Banker's Acceptance Facility, Pounds Sterling Acceptance Facility and Revolving Eurocurrency Facility at the Borrower's Option

Provided by

- Algemene Bank Nederland NV
Bank of America NT & SA
Bank of Montreal
The Bank of Nova Scotia Group
Banque Nationale de Paris
Credit Lyonnais
The First National Bank of Chicago
First Interstate Bank of California
Grindlays Bank p.l.c.
Morgan Guaranty Trust Company of New York
Société Générale
Principal Agent: Bank of America International Limited
London Sub-Agent: Bank of America NT & SA
New York Sub-Agent: BankAmerica International



TECHNOLOGY

EDITED BY ALAN CANE

Space Services boosts private exploitation of space

Lift-off for satellite enterprise

BY JOHN HALL IN HOUSTON



Lift-off for Space Services Inc

UP TO a dozen companies, mainly oil related, are reported to be now negotiating with America's first private satellite launching firm, following its successful launch of a test rocket from Matagorda Island, off the coast of Texas.

Space Services Inc. of America first attempted a test shot last year, but lost its \$1.2m rocket on the launch pad when its liquid fuel motor exploded. Since then, it has upgraded a homespun staff of Texas real estate men and oil magnates to take in ex-Nasa professionals, and switched to a solid fuel propulsion system—also Nasa surplus—which makes it look distinctly more stable, in the air and in the boardroom.

SSIA launched a 37 ft rocket carrying a dummy payload of water which was successfully manoeuvred and stabilised at a height of 196 miles before being allowed to fall into the Gulf of Mexico. The flight might not have been spectacular by the standards of Government space agencies, but it has clearly established SSIA's credibility, and the principle that space exploitation is not the sole preserve of public sector enterprise.

Now the company plans to spend at least a year refining its rocketry and designing an orbital vehicle, which it plans

to launch with a commercial payload some time next year. Unless there are any dry orbital runs in the meantime, a fee-paying customer can expect a bargain basement price from the inaugural flight, and subsequent launches which are planned at the rate of 10 a year when the company gets into its stride, will also work out cheaply, as these things go.

Lifetime

David Hannah Jim, Houston real estate developer and the founding father of the operation and chairman of the board, says SSIA will be able to provide a single-purpose satellite for \$1m to \$1.5m and put into space for an all-in fee of \$3m to \$5m. This compares with costs of up to \$25m for a complicated communications satellite, and launch bills of \$25m to \$35m when Nasa or the European Ariane is doing the job.

Initially, SSIA aims to launch satellites with a lifetime of one to two years, supplying information about rock formations and mineral deposits from low level orbits of a few hundred miles, like the Landsat series of remote sensing satellites.

The difference between Landsat and the Texas satellite is that SSIA will provide narrow definition searches, looking for specific geological signs of

interest to the proprietors who pay for them. Unlike Landsat information, of course, SSIA satellite information will not be made available generally.

General Dynamics, Boeing and McDonnell Douglas have all looked at this area before deciding to leave it to the Government, and even Nasa is phasing once-only rocket launchers in favour of space shuttle launching for satellites. But the space shuttle is fully booked for the next five years, and it seems clear that there is more business to be done in space than the shuttle can handle.

Canada and Japan are among the countries said to be looking for ways of mopping up that business—along with the unfortunate European Ariane—and fears that the U.S. might lose its lead in such a potentially rich field, are probably responsible for a turn-around in official attitudes to the Texas space entrepreneurs.

In 1980, when they were looking for somebody to build them a rocket, nobody wanted to know. In Reaganite America with its strident emphasis on the encouragement of private enterprise Nasa not only agreed to support the civilian launch but supplied for \$365,000 a rocket motor tried and tested in its own highly successful Aries programme.

Zilog launches four microcomputers

Challenge to minicomputers...

BY ELAINE WILLIAMS

ZILOG, the chip-making subsidiary of the oil giant Exxon, has launched four powerful microcomputers in Europe to challenge traditional minicomputers in the original equipment manufacturer (OEM) market.

The company has dubbed its new products "supermicros" because of their small size with minicomputer performance. In addition, the new models in the System 8000 series are priced from \$9,000 which is far cheaper than minicomputers. Dr Pamela Geisler, Zilog's European Marketing Manager, said that the worldwide market for 16-bit professional computers similar to its new range was in the region of 20,000 units this year rising to 120,000 units by 1984.

Zilog's aim is to capture 21 per cent of the UK market by the end of this year. Dr Geisler said that its share was likely to level off at 15 per cent thereafter.

Already the company has received an order in the UK for 50 Model 11 supermicros from one manufacturer. More than 50 units have been ordered in the U.S. where the series was launched two weeks ago.

Last October, Zilog launched the first of its models in the System 8000 range to be priced under \$20,000. The new models are the 10, 11, 21 and 31. The two smallest computers can



The "Supermicro" system Zilog.

accommodate up to eight users and the largest two systems up to 24 users. Zilog hopes that they will be used in office systems.

The models 10 and 21 will be available in November, the others in December. It is also possible to buy an optional intelligent processor to link together a number of peripherals and computers in a communicating local area network using Zilog's Z-NET II.

All the models are compatible and run on the same software without modification, Zilog claims. It uses the UNIX operating system developed by Bell Labs. Dr Geisler said that the UNIX system was chosen because it seemed to be a standard for several other computers. She said it was important that customers had a wide range of available software which could work with the new models.

Disc storage sub-systems

First members of new Memorex family

MEMOREX has announced the first members of a new family of disc storage sub-systems based on thin film read/write heads.

First of these is the 3690, which is compatible with the IBM 3370 disc system and contains a single head disc assembly with a horizontal axis. It provides 571 megabytes of data storage, accessed by the two independently addressable actuators each able to access half the data, which is organised in fixed blocks of 512 bytes.

First installations of this machine have taken place in Japan and the first in the UK will be with Marathon Oil in early September in central London. A further product, shipment

of which will start in the second half of next year and for which Memorex is now ready to take orders, is the 3680, which is compatible with the IBM 3380. This is a fast access large capacity system that will use a new advanced particulate magnetic medium on a thick substrate. It has a storage capacity of 1.26 gigabytes per module.

The Memorex move to thin film components in the read/write head and the company's planned move to similar technology in the disc surface itself is indicative of the difficulties that disc makers are beginning to have in trying to cram more and more data on to the surface of the platters.

It is becoming next to impossible to construct these heads with sufficient accuracy out of discrete pieces of material. The reason is simply that the concentric tracks of data are so closely spaced that the minute magnetic domains can only be recorded and played back by equally minute heads and gaps. The resulting recorded fields are very small too, so that it becomes necessary to "fly" the head even closer to the disc surface.

Then, the flatness of the disc surface can start to become a problem, so that, in the limit current coatings are just too granular and there can be holes that result in data drop-out.

So head structures in the new machines are made using tech-

niques commonplace in semiconductor manufacture—they are fabricated by photographic reduction processes and built up by in-vacuo deposits of the necessary materials.

Memorex says that equipment being developed now for delivery in the mid-1980s will raise the data density on discs from the present level of about 3m bits/sq inch to 10m bits/sq inch. The theoretical limit for thin film is about 100m bits/sq inch using known solutions, but developments later in the decade might push the figure up still further.

A likely outcome, for smaller computer systems at any rate, will be a marked reduction in the size of disc stores.

GEOFFREY CHARLISH

... but it depends on the software

BY ALAN CANE

THE EXPECTED boom in 16-bit and 32-bit microcomputers of the kind announced by Zilog depends on an abundance of effective applications software—the sets of computer instructions which tell the machine how to carry out a particular task.

So far the 16-bit market has been distinguished by a dearth of such software in comparison with the thousands of programs written and available for eight-bit machines which opens opportunities for companies like Precision Software, a small software house based at Worcester Park, Surrey, which is developing business software products to run on 16 and 32 bit machines under the UNIX operating system (the same operating

system Zilog is using for its new micros).

Unix is an operating system designed by Bell Labs which first gained popularity in academic circles because of the powerful aids it made available to the experienced programmer (it is not for beginners).

Precision Software already has to its credit the implementation of a word processing package "Easyscript" to be used on the new Commodore 64 micro-computer.

According to John Tranmer, Precision Software's managing director, the new products—running under the generic title of the Gem Electronic Office—are all transaction processing orientated giving a level of security, "never before seen on

a system costing less than £50,000."

The software runs at present on the Bleasdale 600 machine which costs under £1,000. Individual applications packages—word processing, sales ledger and so on will cost under £1,000 and all should be available by the first quarter of next year. More on 01-330 7166.

Correction

IN THE report of a £3m order for Future Technology Systems in Monday's issue, the customer was wrongly given as Office Equipment Machines. The correct name is Office and Electronic Machines.

OVERSEAS MOVING BY MICHAEL GERSON 01-4461300

Welding Adjustable arm

TWO new products from Bora Welding Equipment of Leicester are an adjustable extending arm for its range of spot welders and an Italian manufactured oxygen generator for welding, and brazing. Arm adjustability for the BoraSpot welders ranges from 180mm for the bench type model to 700mm in the automatic and foot operated models. The Oxyteut has a tank capacity of about 8kg of hydrogen peroxide with 2.5kg available for consumption and 1kg generating enough oxygen to burn 300h welding tip for about 45 minutes. More on 053 709986.

Lifting Chain hoists

HERBERT MORRIS of Loughborough has designed the 190 series of hand chain hoists, which, it says, will meet the requirements of widely differing industries. The series has capacities of 500kg, one, two and three tons.

Morris offers hook suspension types which can be hung from any suitable suspension point or, as an alternative, used as travelling units in the Morris 164 runway trolley. More on Loughborough 263123.

Hush that printer with a



White Horse Acoustics Limited 8-10 Millgate, Thirsk North Yorks (0438) 35893/484



When you're ahead of the field in Dutch insurance you can cover a lot of ground

You don't become a leader in one of the Netherlands most competitive industries by standing still.

In Ennia's case, sustained and balanced growth internationally has been the key to success.

We intend to ensure it remains so.

Today, with assets in excess of Dfl 10 billion, we derive our income from a broad base of life assurance (53%), general and re-insurance (37%) and non-insurance, but related, activities such as mortgages, property development and holiday centres (10%). Our expanding international business provides 26% of total income. As our results show we are continuing to

expand at a very respectable rate.

	1981	1980	1979
	US\$m	US\$m	US\$m
Gross receipts	997.0	934.7	833.5
Net profit	38.0	33.0	26.0
Profit per ordinary share	11.21	10.17	9.59
Dividend	3.58	3.25	3.05

(Dfl: US\$ exchange rate as at 31st March, 1982)

Last year, we added the National Old Line Insurance Company, a well-established and successful company with headquarters in Little

Rock, Arkansas, to our growing list of overseas offices, subsidiaries and affiliates.

It will spearhead our expansion in the thriving North American life assurance and health products market.

We are also active in the Caribbean, the UK, Belgium, Spain, the Middle East and South East Asia.

If you are interested in a successful and enterprising company committed to well-balanced growth on a worldwide basis, find out more about Ennia.

Post the coupon and we'll be happy to send you full details by return.

ennia nv
Insurance Group
Balanced growth internationally

To: Ennia nv, PO Box 202, Churchillplein 1, The Hague, The Netherlands. Telephone: (070) 727272. Telex: 31657.

I would like more information about your Group.

Name _____
Position _____
Address _____

FT

GARDENS TODAY

Best bulbs for autumn planting

BY ROBIN LANE FOX

IF YOU want something easy but different in the garden, which are the best bulbs to plant this autumn? After last week's article, you have armed yourselves with my two bulb bibles...

key and the Middle East, they must find something congenial in British soils. Their bulbs never split into the useless little children which are the sum total of other early flowering bulbs after one good season.

about £4 per 100 on the lowest quote I have found this season. The brilliant scarlet form called Vulgare, or Pavonia is equally lovely but it likes to be in a warm bed. I have had fun with its seed, a curious fluff like sheep's wool which appears very soon after flowering.

Among tulips, I am mad on the small scarlet Praestans Fustlier, delighted with any of the small Water Lily varieties and pleased to find room in a four-inch pot for the open yellow flowers on a tulip called Balthus...

For the connoisseur... the Fritillary called Acropetala. It bears two or three hanging bell flowers of jade green marked at their tips with maroon brown

Their prices have even outperformed the cheap biro, my other counter to our age of inflation. When I first began this column, I wrote on this iris's merits. It costs me less now than 12 years ago.

On a light soil, this iris is run close by the lovely wild anemones. None is better than the blue form of Blanda or the cheaper mixture of pink, white and blue Blandas wherever you want an edging to a sunny bed or lawn.

I have never lost an anemone by planting it upside down and believes that their position makes no difference.

The flowers open like the rays on a large daisy and as they obey the sun they are not a plant for shade. They multiply on sandy soil and work out at

red anemones within three years.

These hardy forms are much better value than the tender St Brigid anemones which are sought for florists and indoor gardeners. So, too, the little species crocus and their named varieties strike me as better value in the garden than the Dutch hybrids which often cost more.

The best wild yellow crocus is called Ancyrensis which gives you up to a dozen golden yellow flowers of one stem. It is absurdly cheap, as are the long pale purple tubes of tomanisina in its many named forms.

Ruby Giant is my favourite and I like to alternate clumps of 20 with a less familiar Scotch

None of these is a bulb for close scrutiny or particular pride. For connoisseurs then, I will end with a good word for the loveliest Fritillary. Called Acropetala it bears two or three hanging bell flowers of jade green which are marked at their tips with maroon brown.

The elegance of the stem and leaf and the pure jade in its colouring are a pleasure when set in flower beside any armchair during April.

To my delight, many more specialist catalogues now list it at prices around £1 a bulb. Two or three bulbs are worth it, quiet beauties with the quality of a fine Chinese masterpiece.

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 12.30 pm News After Noon. 1.00 Pobble Mill at One. 1.45 King Rollo. 1.50-2.00 Euro-Trace. 2.20 Top Gear. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Roger and Co., starring ventriloquists Ward Allen, Ken Wood. 4.35 Think of a Number. 5.00 Newaround. 5.10 The Monkees. 5.35 Willie the Wisp.

TELEVISION

Chris Dunkley: Tonight's Choice

The evening's most important programme, though perhaps not the most jolly, is the first of BBC2's two pieces by Rex Bloomstein (who made "Strangers") looking again at the attempted annihilation of the Jews under the Third Reich.

The evening does have lighter weight material to offer. Britain's (and increasingly the world's) favourite school prefect starts a series called The Woodhouse Roadshow on BBC1. This time the notorious trainer of animals—and people—travels around the country seeking out difficult subjects tonight a man-eating Chihuahua, and bringing her music to bear—or rather to dog.

BBC 2

6.40-7.55 am Open University. 10.20-10.45 Garbar. 11.00-11.25 Play School. 12.30-1.20 pm Open University. 5.10 Have a Heart, Use Your Head. 5.35 Nyoka and the Tigerman. 5.58 Horizon. 6.35 One Man's Yacht. 7.00 Schools Prom.

7.30 One Hundred Great Paintings. 7.40 News Summary. 7.45 De Bono's Thinking Course. 8.10 Top Crown. 9.00 The Gathering. 10.00 Take Three Girls. 10.50 Party Political Broadcast by the Labour Party. 11.00-11.50 Newsnight.

LONDON

9.30 am World Famous Fairy Tales. 9.45 The Masterbuilders. 10.15 The Washington Trail. 10.40 Thrust 17. 11.05 Siberia. 12.00 We'll Tell You a Story. 12.10 pm Rainbow. 12.30 The Electric Theatre Show. 1.00 News with Carol Barnes, plus FT Index. 1.30 Thames News with Robin Houston. 1.30 Crown Court. 2.00 After Noon Plus. 2.45 One of a Kind. 3.45 Play It Again. 4.15 Speedy and Daffy. 4.50 Emu's World. 4.45 The Final Frontier. 5.15 Different Strokes. 5.45 News. 6.00 Thames News with Andrew Gardner and Rita Carter. 6.25 Help! Community action with Vir Taylor. 6.35 Crossroads. 7.00 Where There's Life... 7.30 Coronation Street. 8.00 Scumble with Muska. 8.50 Strangers. 9.00 Party Political Broadcast by the Labour Party. 10.10 News. 10.40 Living in Style. 11.40 Love Thy Neighbour. 12.10 am Close: Sit Up and Listen with Chaim Berman.

† Indicates programme in black and white

All IBA Regions in London except at the following times:-

9.35 am Cartoon Time. 9.40 The Eruption of Mount St. Helens. 10.10 Battle of the V.I., starring Michael Rennie and Christopher Lee. 11.00 Wommo Watson. 1.20 pm Anglia News. 2.45 Welcome Back Kotter. 3.15 World Watch Keeping. 5.15 Private Benjamin. 8.00 About Anglia. 11.40 The Living Legends of Jazz and Blues: Tom Waits, composer, vocalist and pianist. 12.10 am Forty Years On.

GRAMPIAN

9.35 am First Thing. 9.40 Sesame Street. 10.40 The Crazy World of Sport. 11.05 It's a Musical World. 12.30 pm Adventures of Parsley. 12.30 pm Portrait of a Village. 1.30 North News. 2.45 Bygone in Paris. 5.15 Private Benjamin. 8.00 North Tonight. 11.45 Nero Wolfe. 12.40 am North Headlines.

SCOTTISH

10.00 am Wild Wild World of Animals. 10.20 Portrait of a Village. 10.40 Sounds of... Kenneth McKellar. 11.00 The Story of Turin. 1.30 pm Scottish News. 2.45 Fantasy Island. 5.15 Crossroads. 5.45 Action Line. 6.00 Scotland Today. 8.30 World Watch Keeping. 11.40 Lata Call. 11.45 Ladies' Man.

TSW

9.35 am Sesame Street. 10.35 Star Parade. 11.25 Rocket Robin Hood. 11.50 Larry the Lamb in Toytown. 1.20 pm TSW News Headlines. 2.45 Skin Deep. 5.15 Gus Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today South West. 6.30 Tels Views. 6.40 Sportsweek. 10.42 TSW Late News. 11.40 Journey to the Unknown. 12.35 am Postscript.

TVS

9.35 am Pelet Along with Nancy. 10.00 Survival. 10.25 Animated Classics. 11.15 European Folk Tales. 1.30 Portrait of a Village. 1.20 pm TVS News. 2.45 Survival Special. 5.15 Happy Days. 6.00 Coast to Coast. 11.40 Jazz and

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 9.30 Gift of Eve. 9.55 European Folk Tales. 10.10 Cities. 11.00 Survival. 1.25 Story. 1.50 Mumbly. 1.20 pm North East News. 1.25 Where the Jobs Are. 2.45 Charlie's Angels. 5.15 Mr Martin. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life with Tom Coyne. 10.40 North East News. 11.40 Facing Death. 12.10 am Nesting Securely... in the Heart.

ULSTER

10.15 am The Masterbuilders. 10.40 Tarzan. 11.30 3.2.1 Contact. 1.30 pm Lunchtime. 2.45 Cities. 4.13 Ulster News. 5.15 Hoopay Days. 8.00 Good Evening. Ulster. 10.30 Ulster Special. 11.40 European Special (Highlights of tonight's UEFA Cup second round match between Glinorran and Bank Ostrava of Czechoslovakia). 12.25 am News at Bedtime.

YORKSHIRE

9.30 am Sesame Street. 10.30 Spread Your Wings. 10.55 Paint Along with Nancy. 11.20 Rocket Robin Hood. 11.50 Tractor Engines. 11.55 Dick Tracy. 1.20 pm Calendar News. 2.45 Charlie's Angels. 6.00 Calendar (Enley Moor and Belmont editions). 11.40 Late Night Drama.

(S) Stereo (when broadcast on VHF)

RADIO 1

5.00 am As Radio. 7.00 Mike Read. 8.00 Simon Bates. 11.30 Paul Burnett. 2.00 pm Steve Wright. 4.30 Pavar Powell. 7.00 Radio 1 Mailbag. 8.00 David Jensen. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ken Bruce (S). 7.30 Terry Wogan (S). 10.00 David Frost (S). 12.00 Starline (S). 2.00 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News. 6.00 John Dunn (S). 8.00 Soccer Special. 9.30 Ronnie

RADIO 3

Aldrich (S) (joining VHF). 9.55 Sports Desk. 10.00 W1's End. 10.30 Hubert Gregg says Thanks for the Memory. 11.00 Peter Clayton with Round Midnight (afternoon broadcast). 1.00 am Encore (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.43 Points of Departure. 8.57 Weather. 9.00 News. 9.05 Midweek. Russell Harty's People direct from Paris. 10.00 News. 10.02 Gardeners' Question Time. 10.30 Morn-

RACING BY DOMINIC WIGAN

THERE ARE for more competitive six-runner races this season than today's Doniside Cup at Ayr's Western Meeting. The mile and three furlongs listed race brings together Dermot Weld's Crochan Hill, Bonol, Fine Sun, Heighen, Yard Bird and Meeka Gold. It should be a fascinating affair in which tactics will play no small part.

useful as some would maintain he would need to be at his best to account for the much-improved Yard Bird.

As happened with his sire, Busted, Yard Bird needed plenty of time to fulfil anything like his potential. However, he is now a more-than-useful performer bordering on group class. The narrow conqueror of Inviting in Newmarket's Running Gap Stakes in July, Yard Bird did even better at York last month. He took up the running in the final furlongs in the extended mile and a quarter High Line Stakes on the Knavesmire and proved just

too strong for the one-time classic hope Father Rooney in a race dominated by the pair. This afternoon's slightly longer trip on a more testing surface will suit Yard Bird ideally.

Half an hour before the Doniside Cup, that remarkable stayer Path Of Peace will be out to notch his fifth course victory in the Kilkerran Amateur Riders' Stakes. Chris Thornton's charge has plenty of popular support but, judged on his recent poor showing in Hardock's Grand Opening Celebration Handicap, he is still a long way short of his best. A better proposition is Al Ameen. Last time out the

Thomson Jones three-year-old got up near home to touch off Janestino in a similar event at Beverley.

AYR 2.00—Al Ameen 2.30—Yard Bird** 3.00—Windpipe 3.30—River Isle** 4.00—King's College Bay* 4.30—Miss Poinelana BRIGTON 2.00—Flying Corps 2.30—Razor Sun 3.00—Quest YARMOUTH 2.45—Sir Blessed 3.45—Cavardossi

New nobody beats the American winner to Dallas, Denver, Kansas City, Omaha, San Diego and Wichita! Compare our £ fares!

Table with columns: London to... (Dallas/Fort Worth, Denver, Kansas City, Omaha, San Diego, Wichita), Class of Service (First Class, Exec Class), Northwest Orient, Lowest competitor, Save at least.

Come to the Authority. It's easy to manufacture in the world's number one market when you have the authority. The Port Authority of New York and New Jersey.

April 1982

THE ARTS

Television/Chris Dunkley

More passion, less preaching

I return to the fray at a time when television presents a uniquely tantalising prospect. Test transmissions are already running on Channel 4...

at odd moments on television and celebrate them. On my first day back in Britain I switched to BBC1 for the Nine o'Clock News...

National Gallery/Colin Amery

Voice of the people

The architectural competition for the new wing of the National Gallery in Trafalgar Square has attracted more than 70,000 visitors...



Mark Wing-Davey

The Double Man/Bush

Michael Coveney

"To be forced to be political is to be forced to live a dual life." So concludes the young W. H. Auden on the brink of his American years...

One is suddenly reminded for instance that professional television presenters speak in the most bizarre manner. On my first day back I watched Michael Rodd present ITV's The Real World...



Caroline Embling as Claire

Murray Louis/Bloomsbury Theatre

Clement Crisp

Murray Louis and his dancers—four men, four women—are in residence this week in the Coliseum in 1979. It would be pleasant to report that Mr Louis is as persuasive in it now as he was then...

members of the company prink and prance and scuttle and generally behave in a very elfin manner. The dramatic and expressive possibilities of the Louis style are brought more sharply into focus in the major piece of the evening, An Index (to necessary neuroses)...

Finnissy & Knussen/Barbican Hall

Dominic Gill

In the present aesthetic and political climate, it was remarkable that the House of du Maurier should have had the enterprise to support the Philharmonia Orchestra's first "Music of Today" series last year...

THEATRES section listing various theatre companies, shows, and venues such as Apollo, Apollo Victoria, and Barbican Hall.

THEATRES section listing various theatre companies, shows, and venues such as Apollo, Apollo Victoria, and Barbican Hall.

THEATRES section listing various theatre companies, shows, and venues such as Apollo, Apollo Victoria, and Barbican Hall.

F.T. CROSSWORD PUZZLE No. 4974 section containing a crossword puzzle grid and clues.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY
Telegrams: Finantimo, London FS4. Telex: 8954871
Telephone: 01-248 8000.

Wednesday September 15 1982

A momentum for peace

PRESIDENT REAGAN should, on balance, be encouraged by the response to his Middle East peace initiative. The Arab summit at Fez adopted a more conciliatory and constructive position than could have been anticipated a few months ago. The lessons dictated by Israel's willingness to use its overwhelming military superiority have to a large extent been taken on board. The necessity of pursuing Palestinian ambitions through mainly diplomatic channels appears, at least through lack of any realistic alternative, to have been appreciated. Rather more significant than the eight-point plan announced at Fez was the statement made by King Hussein of Jordan to BBC television. The King has long been justly considered one of the Arab leaders most sympathetic to the West and one who could countenance a negotiated settlement with Israel. He played a key role in bringing together the disparate Arab views of a possible Middle East solution into the necessary imprecise document which emerged from Fez. Such was the success of the Arab moderates at the summit that King Hussein felt able to put the most positive gloss on the final communiqué. He declared himself fully for the Reagan plan, describing it as the most courageous and positive American initiative since 1956 when President Eisenhower ordered the Israelis out of Sinai. Courageous The American plan is courageous the stance now taken by King Hussein is no less so. The Jordanian monarch has no lack of radical opponents within the Arab world and must also contend with an Israeli Government which is deluging the Palestinian state already exists on the territory over which he now presides. At a time when the Western alliance is strained by differences over trade and sanctions against the Soviet Union, it should also be of some satisfaction to the White House that Mr Reagan's initiative has helped bridge the gap which previously existed between the European and U.S. approaches to a Middle East settlement. The challenges for Mr Reagan now is to build on and develop these positive responses in the face of a blunt Israeli refusal to participate in any negotiations which might lead to a loss of Jewish control over the West Bank and Gaza.

His plan is to retain any credibility in a sceptical Arab world. Mr Reagan must be seen to be both consistent and determined. Equally he is being advised that attempts to punish Israel for flouting American proposals could rally Jewish support behind Mr Menachem Begin and provoke a hardening of positions which the White House is seeking to avoid. Maintaining a balance will provide a severe test for Mr Reagan's political skills. He has both to persuade the Israeli people that there could be a genuine choice between territory and guaranteed peace while not permitting the present government in Jerusalem to act as if an American presence in the region had never been announced. To achieve this he must have the continuing support of the Arab moderates and, most desirable of all, some more positive indication from Mr Yasser Arafat and the Palestine Liberation Organisation that the road to West Bank and Gaza self-determination will be pursued through the negotiating table. Determined However, Mr Reagan cannot fairly anticipate any improvement in the quality of Arab support for his plan if Israel is permitted to act without any constraints. Mr Begin appears determined to press ahead with building more settlements in the West Bank and Gaza. Fears have also been growing that he may be planning to take Lebanese matters further into his own hands and drive the remaining Syrian forces and PLO guerrillas out of the country. The loss of life in Lebanon on all sides, has already been high. With a new, albeit controversial, President and in the wake of the Fez summit, a more determined effort must be made to resolve the rest of Lebanon's problems through negotiation. All sides have expressed their willingness to withdraw. They should now be encouraged to do so swiftly. Similarly, Israel must be pressed to stop creating new facts on the West Bank and Gaza which threaten to prejudice the outcome of any future negotiations. Above all Mr Reagan must not allow his initiative to stagnate. There is the hint of movement towards an eventual settlement. If momentum is lost Mr Reagan may find himself again reacting to events outside his control.

The third age of broadcasting

WITH yesterday's announcement of the programme schedule for Channel 4 and today's start of test transmissions in preparation for the opening on November 2, the third age of broadcasting is almost upon us. The first age, dominated by radio, lasted from 1923 when the British Broadcasting Company went on the air from Savoy Hill until 1953, when the Corporation marked the transition almost overnight, to the age of mass television. The second age created vast national television audiences for a strictly limited number of services broadcasting over the air on scarce wavelengths in the gift of the government. BBC1 and ITV alone from 1954 until 1964. Then BBC2 was added. With the opening of Channel 4, financed out of the existing ITV companies' advertising revenue, a certain symmetry is brought into being: one popular and one specialised BBC channel competing with one popular and one specialised ITV channel. For a short time the novelty of the new channel will no doubt keep it in the forefront of all discussion about broadcasting. Then, inevitably, its problems will start to attract publicity. Will the ITV companies use it to "dump" worthy but low rated programmes?

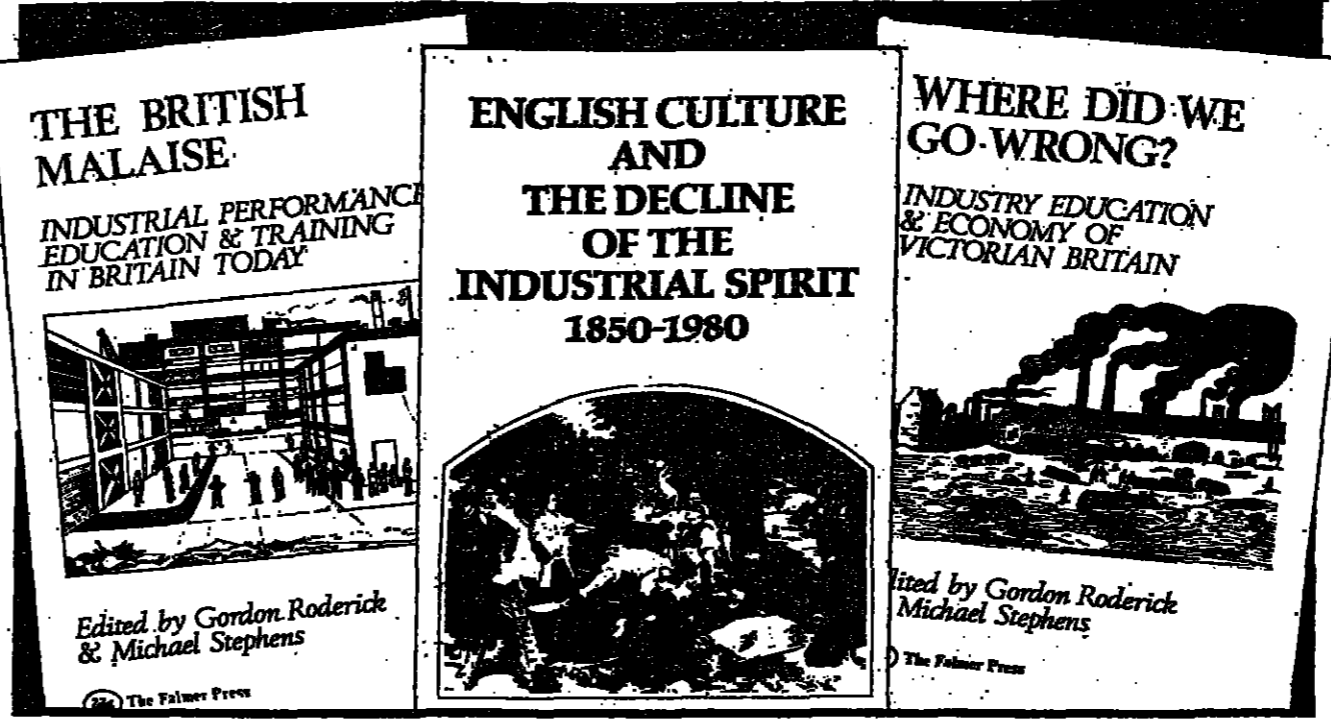
What The Papers Say is already scheduled to move to Channel 4. Conversely, if it fails to attract the 10 per cent of the audience it aims for, how long will it be before the ITV companies, with their fingers on the pulse strings, try to push the new channel into more popular areas? And since the BBC's continued claim to a licence fee has long rested upon the ability of BBC1 and BBC2 to capture 50 per cent of the audience what happens if ITV and Channel 4 together do regularly attract 50 per cent, leaving only 40 per cent for the BBC? Then there is the fate of the new independent programme companies which have sprung up in scores to serve the new channel. More than half of Channel 4's commissioned material in the early stages will come from them, but the new channel is said to be keeping some of their budgets dangerously low, and within the industry gloomy questions are already being asked about how many of them will still exist 12 months hence. Such anxieties, however, could start to seem like Titanic tussles warring by room service when the big crunch comes. Channel 4 represents the end of the second age of broadcasting in that it will be the last channel to broadcast nationally through the air. In the third age cables and satellites will obviate the need for scarce wavelengths and the government will be hard pressed either to justify regulation (other than the law of the land) or to enforce it. Proliferation The coming cable and satellite revolution has been likened to the arrival three years ago of printing press, and as such we welcome it. Any move away from monopoly and towards greater freedom of expression and wider choice is desirable. Yet such proliferation does bring problems. There might mean worse: in the U.S. cable freedom has too often meant a wide choice of pornography and parochialism. And it is hard to see how a British government could continue to raise the BBC licence fee to sustain high quality public service broadcasting once the BBC's audience had been fragmented by dozens or hundreds of cable channels. The BBC, on the other hand has no God-given right to a continued existence in its present form. Would it make better sense in the new world of infinite television choice for public broadcasting simply to fill in those services which private enterprise could not supply? Could such an undertaking be viable? That the BBC has contributed to the high quality of British broadcasting is undeniable. But the new technology is bound to force a reappraisal of its role, the range of its services and the methods of financing it.

SOCIAL ATTITUDES TO INDUSTRY

Roots of the British malaise

By Christopher Lorenz, Management Editor

EDDIE GRUNDY is fast becoming a figure of national renown. Three million people tune in to listen to him almost daily on BBC Radio, and a clever impersonator has now started to hog commercial radio advertising spots. It must be said at the outset that Eddie is something of a slob. A gruff country yokel with no manners whatever, he is always swilling something down or out—whether beer or pig— and is forever being accused of such misdemeanours as spreading swine disease to gentlemen farmers. Yet Eddie is probably now the most popular character in Britain's longest-running soap opera, The Archers. He now has a national fan club—just the latest manifestation of the remarkable ability of the programme, with all its rural detail, to appeal for over a quarter of a century to all ages, and to people, in all walks of life—but particularly middle-class city dwellers. In its peculiar way, the success of The Archers reflects British society's continued preoccupation with rural values, which has played a central role in Britain's industrial decline. In stark contrast with the blooming health of The Archers, the Independent Television network has just buried On the Line, a weekly serial launched earlier this year. The car plant in and around which it was set was distinctly reminiscent of a real-life BL factory. Such a venue provides pretty good potential for a blood-and-thunder serial, especially when it is laced with boardroom struggles, union battles between extremists and moderates, male-female warfare in the PR department, and a little love behind the computer-aided design machine. To far greater extent than Britain's long-running urban soap operas, Coronation Street and Crossroads, most of whose action takes place away from work, On the Line tried to do a brave industrial Archers. Most of the drama was located in the workplace itself, with considerable technical detail: shots of pounding machinery, intricate engineering drawings, discussions with difficult dealers, and so forth. The failure of On the Line and the phenomenon of The Archers reflect far more than just the strength or weakness of their respective story-lines and characterisations. They epitomise something infinitely more significant: the deep-rooted attraction to rural values, and antipathy towards industrial life, which has been bred into most middle-class English men and women for over a century by the educational system and by the very structure of society. Along with the very closely associated barriers of the "class system," this anti-industrial culture has been one of the main causes of Britain's poor economic performance over the last 100 years. These are dramatic words



indeed. But anyone who thinks this association fanciful or ridiculous [and who missed a convincing BBC Radio series last year on How we caught the British Disease] should take a few hours to read three recent books: "English Culture and the Decline of the Industrial Spirit 1850-1980," by an American historian, Martin J. Wiener, and "Where did we go Wrong?," and "The British Malaise," both edited by two British professors of education, Gordon Roderick and Michael Stephens. The three books add substantially to the picture built up in recent years by the navel-gazing industry of publishers and programmes on "Britain's economic failure." In particular, they fill out the research done by the historian Conall Barnett in the 1950s and 1960s. The core of Barnett's argument, which he reiterated in his own review of Wiener's book, was that "the primary explanation for Britain's decline since 1870... lay in the character and outlook of the British governing classes. This... was formed in the middle years of the 19th century and derived... from the early 19th century religious revival, which was itself a manifestation of the romantic movement....

By the time the state education system was established in 1902, the educational and social die was cast. The classical curriculum of Thomas Arnold's Rugby school had become the model for most of the new public schools that opened in the second half of the 19th century to cater for the burgeoning middle classes. At the other end of the social spectrum, as the acutely class-conscious Victorians would have put it, technical education was eventually developed, but specifically for the working class. With self-made manufacturers resisting the continental notion that education was

an important factor in managerial success, technical education became irrevocably identified with the skills of the artisan. In Germany, by contrast, an elaborate system of state education at both secondary and university level, and embracing both classical and practical subjects, had been founded in Prussia in the early 19th century in the wake of a humiliating defeat at the hands of Napoleon; the system was quickly emulated by other German states. Not only was it socially acceptable for a well brought-

Because of the public school influence, state education has always been biased against practical subjects

curriculum has been strongly influenced by the public school and Oxbridge elevation of a classical or "liberal" type of education over a "practical" one. up led to get a degree in a technical subject, but many such people went on to lead Germany's own industrialisation, putting it at the forefront of innovative industries like chemicals and helping forge the basis for the country's continued industrial success in the 20th century. At the same time as the self-made English industrialist was buying his sons the stamp of social acceptability by giving them a classical education at a public school, the "Condition of England" novels, written by Charlotte Bronte, Charles Dickens, Disraeli, Mrs Gaskell, Charles and Henry Kingsley and others, were helping further to mould the social values of the Victorians, just as they have influenced attitudes ever since. Their picture of a "Golden

Even some of the institutions which were especially established to provide technical education, the Colleges of Advanced Technology, shifted sharply towards a liberal curriculum in order to attract "better" students when they were given university status in the 1960s. Nor is it surprising that the same social influences have affected those people brave or foolhardy enough to plump for a career in industrial management. High among the checks on British economic growth, says Martin Wiener, "has been a pattern of industrial behaviour suspicious of change, reluctant to innovate, energetic only in maintaining the status quo. This pattern traces back in large measure to the cultural absorption of the middle classes into a quasi-aristocratic elite, which nurtured both the rustic and nostalgic myth of 'an English way of life,' and the transfer of interest and energies away from the creation of wealth." Wiener praises Mrs Thatcher's attempt to restore 19th century dynamism to the British economy, but questions whether steps such as the lowering of marginal tax rates, the cutting of public spending, and the curbing of trade union power will achieve very much in the face of entrenched cultural attitudes formed over a century or more. Of greater significance could prove such down-to-earth steps as her government's policy of promoting the use of computers in schools: there are already signs that the growing fascination of children with microcomputers—from teenagers right down to six and seven-year-olds—could signal a breakthrough in social attitudes to industry and technology. There also seems to be an upswell of interest in industrial archaeology, to the extent that millions of people now watch television programmes on the subject, and specialised museums—from the Ironbridge Gorge complex to a prize-winning tractor collection near Hadrian's Wall—are attracting thousands of visitors. It remains to be seen whether the computer fashion among schoolchildren proves to be little more than a game of one-upmanship with overgrown space-invader machines, rather than a technical fascination that will last them into adult life. The new-found interest in Britain's industrial past could equally turn out to be nothing more than an intellectual exercise in the leisured study of history, rather than a real indication of changing attitudes to the much more concrete and challenging world of the present. Deep down, it will take a lot to transform us from being closet countrymen and countrywomen. Cambridge University Press, £4.95 paper, £9.95 hardback. Falmer Press, £10.95 hardback. Falmer Press, £8.45 hardback. Management Today, July 1981.

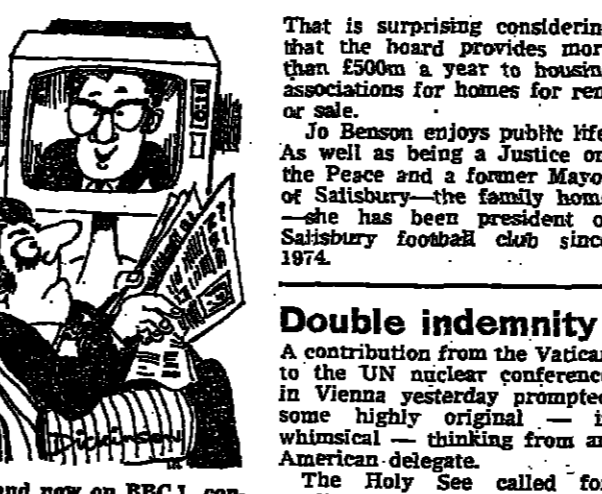
Men & Matters

Community of interest

Is the Labour Party leadership softening on its commitment to pull Britain out of the EEC? The question will certainly be raised this weekend after the publication of an article in the New Statesman on Friday by Barbara Castle, the former Cabinet minister who now heads the 17-strong Labour group in the European Parliament. Word in Strasbourg is that Castle will reveal an important change of heart on Europe in the course of a wide-ranging piece about party policies during the run-up to the General Election. She will apparently urge Michael Foot and the Shadow Cabinet against running the risk of increasing unemployment by withdrawal. Stay in, introduces your socialist policies, and challenge the Community to tell you to stop—that is expected to be the burden of her advice. Castle would not confirm any of this yesterday but said teasingly that her article would not please everybody. Both personally and politically, she is so close to Foot and the party's spokesman on Europe, Eric Heffer, that there will be inevitable suspicion that she is fying their kite. But if she is changing her mind on the wisdom of withdrawal, Castle shows little sign yet of learning to love the European Parliament. In characteristic fashion, she was lambasting the place yesterday as "a madhouse incapable of logical behaviour."

Gas masque

Staff at TUC headquarters at Congress House have been regaling themselves in pauses from penning anti-Government propaganda with one of those almost-too-good-to-be-true stories which, they claim, is true. The story goes that David Lea the pugacious polymath who is the TUC's assistant general secretary, was invited yesterday to ask a visiting official from British Gas to wait for him in the fourth floor waiting room, since a meeting he was conducting was overrunning. Unbeknown to Lea, the official was himself delayed. Meanwhile, in another part of the building, the newly-appointed UK ambassador to Moscow, Sir Iain Sutherland, had arrived for a talk with Len Murray, the TUC general secretary—and, Murray being engaged, was shown into the fourth floor waiting room. You have guessed the rest. The ambassador was summoned from the room by Lea, taken to his office and treated to a disquisition on gas prices. Panic-stricken TUC staff, combing the



building for the missing ambassador, ran him to ground in Lea's office. Years of diplomatic training had kept him silent throughout the lecture, possibly under the impression that the Soviet gas pipeline was on the agenda. The episode is good training for life in the Kremlin's corridors of power, or would be if it's true, which Lea says it isn't. Still, it's a good story....

Family affair

Christopher and Jo Benson are a busy husband and wife team this week. Christopher, managing director of MKPC, was in the City yesterday launching a £30m debenture issue. Britain's second biggest property company is joining in the current fashion for raising long-term company finance in the bonds market. Meanwhile, Michael Heseltine, environment secretary, also chose yesterday to appoint Jo to the board of the Housing Corporation for a three-year stint. She is the first woman to join the board for four years.

Seeking Company Information

There is no better combination than Extel Cards and Extel Company Searches.

Extel are Experts

Form with fields for Name, Position, Firm, etc., and a box for Extel logo. Text: 'I am interested in the information you supply about companies.'

To: Extel Statistical Services Ltd., 37-45 Paul St., London, EC2A 4PB. Phone: 01-253 3400. Telex: 262087

Handwritten note: 500,000

Companies and Markets

UK COMPANY NEWS

Home Charm little changed at 24 weeks

ALTHOUGH interest charges were boosted from the acquisition of 28 Sankey Homecare Stores last April, pre-tax profits of Home Charm, supplier of wallpaper, paints, kitchen and bathroom units, were little changed at £22m for the 24 weeks ended June 19 1982, compared with £12.5m for 24 weeks...

Fogel feels sure that the actions the directors are taking will keep Home Charm in a strong position to meet the challenges that lie ahead. It therefore remains confident of your group's future growth, he states.

The directors point out that any employee share incentive scheme provision, charged above the line in the P and L account, is dependent on full year's results.

opened - two prior to June 19 - and two more will be opened before December, bringing the total selling area by then to 1,370 sq ft, an increase of 74 per cent over 1981.

take some digesting but within a few months borrowings have been worked down from £15m to £9m and with falling rates second-half interest charges should be little more than £700,000.

First six months dive to £56,000 by Barton

DISAPPOINTING RESULTS have been shown for the first half year to June 30 1982 at Barton Group according to Mr John Wardle, chairman, when reporting a dive in pre-tax profits from £457,000 to £56,000.

Willis Faber £3m ahead at midway

PRE-TAX profits at Willis Faber, insurance broker, rose from £14m to £17.01m in the half-year to June 30 1982. The interim dividend is raised from 4.3p to 5p net - last year's total was 15p from pre-tax profits up from £19.37m to £27.18m.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's practice.

Underwriting credit at Trade Indemnity

Premiums written on the three open underwriting accounts by Trade Indemnity in the first half of 1982 totalled £17.37m, an increase of 23.5 per cent at June 30 1982.

Consumer products boosts Hestair midterm

THERE WAS no improvement whatsoever in the general business environment during the first half year, say the directors of Hestair, the industrial group. And for some of its consumer products divisions, which has deteriorated further.

The engineering side has had a difficult year. Hestair Dennis and Hestair Eagle have gained a satisfactory volume of business in all sectors, but have only achieved this by accepting a substantial reduction in margins.

Farm equipment has seen some revival of demand in the UK, and this should continue into the second half, it says. Export business, however, is poor throughout the engineering group.

performance has fallen away sharply with sales to Opec countries fast disappearing. However the group hopes the delayed Hong Kong bus order will arrive in the second half.

BTR Hopkins held back by falling demand

BTR Hopkins, the listed Australian group, which contains most of the local activities of BTR of the UK, was held to an 8.5 per cent increase in pre-tax profits for the half year to June 30 by a reduction in demand for its products.

TV South meets initial targets

THE new Channel Four subscription, coupled with the Eschequer Levy and interest charges, have made big inroads into the pre-tax profits of Television South.

Channel Four will commence broadcasting on November 2. The expected coverage in the Television South region will initially be some 73 per cent, somewhat less than the national average of 87 per cent.

year was ahead of the company's projections and in the first six months of 1982, revenues for the industry were 18.6 per cent up on 1981. Since then, the industry has been somewhat flat.

S. W. Farmer maintains recovery

THE IMPROVEMENT experienced by S. W. Farmer Group in the second six months of 1981 continued into the first half of the current year when the company returned pre-tax profits of £527,000, compared with a loss of £775,000 previously.

YEARLINGS AT 10 1/2%

The interest rate for this week's issue of local authority bonds is 10 1/2 per cent, up a quarter of a percentage point from last week and compared with 11 per cent a year ago.

RESULTS AND ACCOUNTS IN BRIEF

HAMPTON TRUST (property investor, mineral, oil and gas exploration). Results for the year to March 31 1982 reported on July 28. Shareholders' funds £3.91m (£2.44m); fixed assets £18,089 (£2,811); properties £3.12m (£1,510); net current assets £8,864 (£749,352). Decrease in working capital £79,719 (increase £20,601). Meeting: Investors' Charter Accountants, Moorgate Place, EC, October 7 at noon.

MEPIC plc (Incorporated under the Companies Act, 1929) Placing of £30,000,000 12 per cent. First Mortgage Debenture Stock 2017 at £97.705 per cent. payable as £25 per cent. on acceptance and the balance by 12th January, 1983.

Technology in the Service of Mankind. 19 year old Bridget moves 100t of timber every day in her father's timber works. Very hard work for her? But, Bridget has no problems, because she operates a Linde lift truck for the job. With its hydrostatic transmission, simple controls and comfort designed operation, the Linde truck affords her maximum productivity without fatigue.

Companies and Markets

BIDS AND DEALS

Keep Investment launches reverse bid for Dorada

BY RAY MAUGHAN

THE POSSIBILITY of a bid for Dorada Holdings, the vehicle distribution, industrial merchanting, and engineering group, first suggested by British Car Auctions...

Keep's aspirations to the point where it is making a three-for-one equity bid currently worth 43p for Dorada, backed up by a cash underwriting offer worth £3.2m, or 40p per share, by Charterhouse Japhet.

trip in Eire. Dorada shareholders are advised to take no action. They would control 76 per cent of the merged company if Keep's equity offer is implemented in full.

Dealings suspended in Yorkshire Fine shares

THE shares of Yorkshire Fine, the wool spinners, were suspended yesterday at the company's request pending an announcement. The suspension price of the shares was 16p.

U.S. EXPANSION BY STAVELEY

Staveley Inc., the U.S. subsidiary of Staveley Industries, the international engineering and mineral products group, has acquired for just under £1m Harisonic Laboratories Inc. in 1981, the four Diamond divisions had aggregate sales of about \$190m and income before tax of \$8.5m.

MINING NEWS

Gold Fields' profits drop 48%

BY KENNETH MARSTON, MINING EDITOR

LOWER gold and base metal prices, the U.S. recession and higher interest have combined to lower pre-tax profits of London's Consolidated Gold Fields by 48 per cent to £96.5m in the year to June 30 from £184.3m in the previous 12 months.

Gold Fields' subsidiary companies did better with £9.2m against £4m thanks to increased production at the Ortiz gold mine in New Mexico and higher earnings at the big Mount Newman iron ore operation in Western Australia.

Mackness' support Pioneer bid

Pioneer Concrete (Holdings), the Australian-owned building products company, has posted its final offer document in its contested £18.7m bid for Mixconcrete (Holdings) of Northampton.

The final document draws the attention of Mixconcrete's shareholders to the fact that members of the Mackness family, which founded Mixconcrete, have now supported the 190p bid in writing.

and managing director of Mixconcrete, said his board's opposition to the bid was unchanged and he refuted the asset valuation points made by Pioneer.

J. SMURFIT BUYS DIAMOND PLANTS

The Company and Diamond International Corporation, New York, has concluded a previously announced transaction in which the Jefferson Smurfit Group in a joint venture with Mr Don Hindman and Clark Holdings, Chicago, acquired 12 Diamond plants which made up its packaging, container, paper board and graphic arts divisions.

Chevron joins Peko at Parkes

AUSTRALIA'S financially pressed Peko-Wallend has found a partner to help with the development of its big copper-gold deposit at Parkes in New South Wales, which looks set to become another huge open-pit mining operation on the scale of the Rio Tinto-Zinc group's Bougainville in Papua New Guinea.

but the low-grade nature of the orebody points to a massive open-pit operation. This, in turn, will require large amounts of capital spending, which Peko at present is simply not in a position to provide.

Detour Lake gold mine on schedule

THE RECENT strength in the billion price has brought welcome relief to the owners of Detour Lake, the biggest new gold mine under development in Canada.

Midland lifts stake in Crocker

Midland Bank has bought 175,000 shares in Crocker National Corporation for \$4.1m. The shares were bought in the open market on August 24 at \$23.50 each.

Crocker National Corporation, the parent of the fourth largest bank in California. Under the first stage of the investment, completed late last year, Midland Bank acquired a majority of the Crocker bank, excluding Midland Bank representatives.

Under the terms of the investment agreement Midland Bank is limited to owning a maximum of 57 per cent of Crocker's capital on a diluted basis. The bank may not increase its stake above that level without the permission of a majority of the Crocker board, excluding Midland Bank representatives.

W.M. STEWARD

William Stewart and Co., as part of the William Stewart Group, has agreed the acquisition of Mann Egerton Electrical, an electrical contractor. It is understood that the acquisition is for an undisclosed cash sum and that Mann Egerton Electrical will be re-named M.E. Electrical and will operate as an independent unit in the William Stewart Group.

LONDON TRADED OPTIONS

Table with columns: Option, Exercise price, Closing price, Vol., etc. Includes options for BP, GU, Cons. Gold, etc.

ROUND-UP

Plans are under way to start exploiting the Golgothar iron ore mining complex near Sirjan, 100 miles south-east of Kerman in Iran, according to news agency reports.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, etc. Includes options for GOLD, AMRO, etc.

Expansion by Mitchell Cotts

Mitchell Cotts, the international engineering and transportation group, has completed negotiations which will have the effect of substantially increasing the scope of its UK-based contract hire road transport activities.

operated by Avis and its subsidiaries in the UK, together with four of Avis' existing depots. Mr Dunkley adds that this addition represents a significant expansion to its present country-wide network of depots and contract hire activities.

Mr Dunkley points out that the commercial vehicle contract hire business has been particularly competitive in recent years and this move will mean that Mitchell is able to maximise economies of scale and make the fullest use of its resources.

JAMES WILKES

James Wilkes states that agreement has been reached in principle for members representing 37 per cent of the issued ordinary shares to sell those shares to Mr Aneurin Terence Brown at 75p per share.

M. J. H. Nightingale & Co. Limited

Table with columns: 1981-82, Company, Price Change, Gross Yield, etc. Lists various companies like Asa, Bnt, etc.

BASE LENDING RATES

Table with columns: Bank Name, Rate. Lists banks like A.B.N. Bank, Grindlays Bank, etc.

Quest gives subsidiary sales for first half

Quest Automation, the Computer-Aided Design (CAD) company, has released sales figures for its main subsidiary for the first six months of the current year. The company has yet to produce figures for its full-year ended February 1982.

The bulk of this advance, the company said, was due to the company's new Q-Design CAD system. The company also reported that Quest CAE had improved its exports in the six months, with orders from the German office in August alone reaching over DM 1m.

At the balance sheet date of February 28 1982, net tangible assets were £7.37m, taking the unsecured loan stock at its discounted value of £1.68m. Recent trading under Rule 163(2) have been at 21p for the ordinary shares (a market capitalisation of £44m) and 192 p cent for the unsecured loan stock.

Twinlock prepares for USM listing next week

TWINLOCK, the manufacturer of paper-based office supplies and office furniture, is joining the USM next week. Dealings in the company's shares and 15 per cent unsecured loan stock 1976-99 are expected to begin on September 20.

This advertisement is placed in compliance with the requirements of the Council of The Stock Exchange. Application has been made to the Council of The Stock Exchange for grant of permission to deal in the Unlisted Securities Market in the under-mentioned securities. It is emphasised that no application has been made for these securities to be admitted to listing.

Twinlock PLC

(Incorporated under the Companies Acts 1908 to 1917. Registered in England No. 162422)

Table with columns: Share Capital, Loan Capital, Issued and fully paid, Issued and outstanding.

Particulars relating to Twinlock PLC are available in the Eutel Unlisted Securities Market Service and copies of the statistical card may be obtained during business hours on any weekday (Saturdays excepted) up to and including 29th September, 1982 from—

S. G. Warburg & Co. Ltd., 30 Gresham Street, London EC2P 2EB. Fielding, Newson-Smith & Co., 31 Gresham Street, London EC2V 7DQ.

15th September, 1982.

Advertisement for a SUPERB OFFICE BUILDING NEAR THE BANK OF ENGLAND, 19,210 SQUARE FT. WITH CAR PARKING. TOILET. TELEPHONE 01-236-4040.

Companies and Markets

INTERNATIONAL COMPANIES AND FINANCE

\$150m Eurobond launched by Prudential Insurance

By Alan Friedman

PRUDENTIAL INSURANCE of America yesterday made its debut in the Eurodollar bond market with a \$150m 12 1/2 per cent five-year issue...

America's 12 per cent 1987 paper improved by 1/2 point to close at 92 1/2, but is still below its level of 95 1/2 a week ago...

Prices of most D-mark foreign bonds gained about 1/2 point on the day amid moderate trading volume...

French banks in credit card clash

By Alan Friedman and David Marsh

TWO OF the pillars of France's co-operative banking establishment Banque Populaire and Credit Mutuel are on the point of making far-reaching decisions on the adoption of banking payment systems...

TENTATIVE AGREEMENT ON DEBT RESTRUCTURING

Harvester in new deal with banks

By Richard Lambert in New York

INTERNATIONAL Harvester, the struggling farm equipment and truck manufacturer, said yesterday that tentative agreement had been reached on terms of a new debt restructuring package...

On Monday, Harvester announced that it would hold a special shareholders' meeting at the end of October to approve an increase in its authorized share capital...

At the end of July, its ratio of total liabilities to tangible net worth was 4.61 to 1.

Under the current debt restructuring pact, interest on the Harvester parent company loan is set at 10 1/2 per cent of the prime or base lending rate...

Co-enerco buys Sabine assets

By Nicholas Hirst in Toronto

THE Co-operative Energy Corporation, a Calgary-based group set up under the Canadian national energy programme to increase Canadian ownership of domestic oil and gas reserves...

The Federal government has stepped up its pressure for "Canadianization" of domestic oil and gas assets.

The Federal government has stepped up its pressure for "Canadianization" of domestic oil and gas assets.

Kroger in financial services move

By Our Financial Staff

KROGER, the Ohio retailing group, has formed an equally-owned joint venture with Capital Holding under which Capital will market a variety of consumer financial services in selected Kroger supermarkets...

Bendix alleges anti-trust problems in UT bid

By Our New York Staff

IN THE latest round of court actions in the three-way takeover battle involving Bendix, Martin Marietta and United Technologies, Bendix has alleged that United Technologies would "destroy" competition in some 13 different product groups...

Fourth quarter surge lifts Macy profits

By Our Financial Staff

A STRONG FOURTH quarter surge in earnings has enabled R. H. Macy, the large U.S. department store chain, to notch up record profits for the seventh year in succession.

Setback for General Cinema

By Our Financial Staff

THE tussle between General Cinema, the largest independent soft drinks bottler and cinema owner in the U.S., and Heublein, the vodka distiller, surfaced again yesterday when Cinema announced a fall in its results in the third quarter.

FT INTERNATIONAL BOND SERVICE

Table listing 200 latest international bond issues with columns for Issued, Bid, Offer, Change, and Yield. Includes sections for U.S. Dollar, Other Straights, Floating Rate, and Convertible.

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these and other bonds see the complete list of Eurobond prices which will be published next on Wednesday October 13.

Large advertisement for Renault featuring a Renault 5 car and the text 'QUICK, WHO FIRST TURBOCHARGED GRAND PRIX RACING?'.

Boost for Israeli bank

By L. Daniel in Tel Aviv

Net profits of Bank Hapoalim, Israel's second largest banking group, rose to Sh1 1,070m (\$37m) in the first half of this year from Sh1 447.3m in the five months to June, 1981.

Abitibi to raise newsprint price

By Robert Gibbins in Montreal

ABITIBI PRICE, Canada's largest newsprint producer, is increasing the price of newsprint in the U.S. market by \$20 a tonne from January 1, 1982. This would bring the base price in the eastern U.S. to \$620.

Companies and Markets

INTERNATIONAL COMPANIES AND FINANCE

Michelin plans job cuts

By Our Paris Staff
MICHELIN plans to reduce its French workforce by about 6 per cent through a voluntary early retirement scheme...

EMPAIN-SCHNEIDER DEVELOPMENTS

Jeumont in U.S. electronics link

BY DAVID WHITE IN PARIS
A NEW element in France's ambitious electronics programme emerged yesterday with the announcement by the private sector Jeumont-Schneider...

Iggesund returns to profit

By Jeanne Rudbeck in Stockholm
IGGESUND, the Swedish pulp, board and chemical group, turned a pre-tax loss of SKr49m into a profit of SKr20m (\$3.19m)...

Italian retailer lifts sales in first half

BY JAMES BUXTON IN ROME
RINASCENTE, the Italian company which runs a network of department stores and hypermarkets, increased sales by 20 per cent to L689bn (\$487m) in the first half of this year...

Major construction groups in merger

BY DAVID MARSH IN PARIS
AN IMPORTANT restructuring in the French construction industry is underway to inject fresh capital into the family-owned Colnet building group...

Jernverk sees loss again

BY FAY GJESTER IN OSLO
NORSK JERNVERK, Norway's state-owned iron and steel concern, seems set to incur a loss of more than Nkr 300m (\$43m) on operations this year...

Senior posts at Hoffmann-La Roche

F. HOFFMANN-LA ROCHE has made the following appointments: Dr. Andrew P. Lesner, head of the pharmaceutical division, has become deputy chairman of the executive committee...

BANK, Brussels branch, will be leaving Brussels shortly to assume a new assignment in Tokyo. Mr. Masahide Yamamoto has been appointed his successor. Mr. Steen Steinicke, formerly a general manager with Scandinavian Bank Group in London...

INTERNATIONAL APPOINTMENTS

Suchoversky was vice-president, Europe, for Alcan Aluminium. Mr Robert G. Boulton has replaced Mr Gary A. Childress as chief executive officer of GULF RESOURCES AND CHEMICAL CORP. Mr Childress has also resigned as a director...

KAKUZI LIMITED COFFEE, TEA AND SISAL PLANTATIONS AND RANCHING IN KENYA. Extracts from the audited results for the year ended 28 February 1982. Profit before tax 1,273,208; Profit after tax 600,734; Earnings per K.Sh 5/- Stock Unit Sh 1.90.

SEK AB Svensk Exportkredit (Swedish Export Credit Corporation) US\$100,000,000 15 3/4% Notes due 1989 convertible at the option of the holder to Floating Rate Notes due 1989.

Keppel Shipyard Limited US\$25,000,000 9 percent Bonds 1983. NOTICE IS HEREBY GIVEN to all bondholders of the above-captioned issues that: For the purchase year ended 15 August 1982, the aggregate principal amount of Bonds...

Province of Ontario (Canada) Net proceeds to be advanced to Ontario Hydro. \$300,000,000 14 3/4% Notes Due August 31, 1992; \$200,000,000 15 1/4% Debentures Due August 31, 2012. Principal and interest payable in The City of New York in lawful money of the United States of America.

E. F. HUTTON INTERNATIONAL INC. is pleased to announce that its International Bond Department has moved effective 13th September, 1982 to: CEREAL HOUSE, 58 MARK LANE, LONDON EC3R 7EJ.

INVEST IN 50,000 BETTER TOMORROWS! 50,000 people in the United Kingdom suffer from progressively paralyzing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

Mitsubishi Chemical in the red at six months

BY YOKO SHIBATA IN TOKYO

MITSUBISHI Chemical Industries, Japan's largest chemical company swung into the red at the pre-tax level in the half year ended July 31. As a result, the company has omitted its interim dividend after paying ¥2.5 a share a year earlier.

Japanese chemical companies are suffering from the double blow of the yen's steep depreciation, which has caused a sharp rise in imported raw material costs, and a rapid market penetration of products from the U.S. and Canada.

Additional factors at Mitsubishi were the absence of profits from securities sales (against a profit of ¥3bn last year) and a foreign exchange

loss of ¥1.6bn against a gain of ¥1.7bn.

The company slumped to a pre-tax loss of ¥2.1bn (\$7.8m) from the previous year's profits of ¥1.56bn. After drawing on internal reserves, the company reported half year net profits of ¥6m, down by 97.4 per cent from the previous year's ¥2.3bn. Interim sales were ¥372.1bn (\$1.4bn), up by 2 per cent.

The marginal increase in sales was attributed to carbon products (up 5.3 per cent of total sales) and to new product lines such as food, copying, duplicating and printing materials, construction materials,

pharmaceuticals and bio-chemicals which rose 40 per cent to take 3.4 per cent of the total.

Petrochemical products remained the largest sector accounting for 41.5 per cent of the total after a 1 per cent fall in sales. Sales of agricultural products declined by 10.2 per cent to account for 9.9 per cent.

There is little prospect of a recovery in petrochemical markets in the year ending January. The company hopes, however, that the emphasis on new products will enable it to match last year's sales of ¥750bn and to make pre-tax profits of ¥2bn-¥3bn against ¥4bn last year.

Property sector fuels growth in HK\$ loans

By Robert Cottrell in Hong Kong

A MASSIVE and rapid expansion in Hong Kong dollar syndicated loans, led by property sector borrowers, is analysed in the September economic report of the Hong Kong and Shanghai Banking Corporation. The report identifies 43 such loans totalling HK\$12.3bn (US\$2m) in 1981, against just six totalling HK\$1.1bn in 1979, and 20 totalling HK\$6.5bn in 1980. In the first half of the current year, 18 such loans yielded HK\$4.5bn.

All but one of the 18 published loans in the first half of 1982 were for property development. During 1980 and 1981, property-related companies raised over HK\$10.6bn through the loans. The total capital raised through the loans over the last two years has equalled the amount of new capital raised on the stock exchanges, and reflects the cash thirst of fast-growing companies through Hong Kong's now-deflating property boom.

Until about five years ago, published syndicated loans were locally a rarity. Any form of large loan was common and bank overdrafts were the typical method of financing. The first significant borrower was the government-backed Mass Transit Railway Corporation, which borrowed HK\$1.25bn in two loans in 1977.

Several reasons are suggested for the market's explosive growth. Increasing demand for large loans impressed on local banks the prudence of syndication rather than risking large exposure to a single borrower; the local stock market has in recent months not been promising ground for new issues; and many borrowers and lenders have found it attractive to explore alternatives to loans priced at the local "best lending rate".

Pricing of Hong Kong dollar syndicated loans over Hibor (Hongkong interbank offered rate) has become increasingly common. It attracts borrowers who have seen Hibor fall below best lending rate. It also attracts foreign bank lenders who depend on the interbank market for funding.

Moscow Narodny Bank has new chairman

Mr D. J. Pezzin has been appointed chairman and managing director of the MOSCOW NARODNY BANK in place of Mr G. N. Koulikov who has retired.

General Sir Hugh Beach and Air Chief Marshal Sir Alasdair Steedman have been appointed members of the SECURITY COMMISSION in succession to General Sir Dudley Ward and Admiral Sir Horace Law whose resignations have been accepted by the Prime Minister. The other members of the Security Commission are Lord Bridge of Harwich (chairman), Lord Justice Griffiths, Lord Greenhill of Harrow, Lord Allen of Abbeydale and Sir Alan Cottrell. They form a panel of seven from whom three, including the chairman, are normally selected on each occasion when the Commission is invited to investigate a suspected breach of security.

KIRKLAND - WHITTAKER (STERLING BROKERS) has appointed Mr R. W. Quantick as chairman and Mr C. T. Woodcock as managing director.

SPS TECHNOLOGIES INC. has made the following appointments: Mr Tom E. Clarke as chairman and Mr C. T. Woodcock as managing director. Unbrako Europe division: Mr Clarke replaces Mr John P. McGrath who returns to the U.S. to take up the position of president, Latin America/Southern

Hemisphere. Unbrako Europe is a manufacturer of precision fasteners and components and has operations in the UK, Ireland, France, Germany, Italy and Denmark. Mr Mike D. Kirk is appointed managing director, T. J. Brooks (Leicester), a position previously held by Mr Clarke.

Sir Ian Trethowan has been appointed an adviser to THORN EMI.

Mr W. Riddell is retiring as director and chairman of BURGESS PRODUCTS HOLDINGS on December 31. He will be succeeded by the deputy chairman, Mr C. B. Cotton.

Mr Hayden Holloway has been appointed managing director of R. J. WILLIAMS (PLANT HIRE). He was general manager.

DOVER HARBOUR BOARD has appointed Mr J. Turgoose as director of finance.

DIRECT DIAGNOSTICS, Crawley, has appointed Mr E. P. Spiteri as marketing director. He was the marketing director of British EKG Monitors, a BTG funded medical electronics company.

Mr Kenneth M. Spence has been appointed director/vice-president international of KORN / FERRY INTER-

NATIONAL. He will retain his outside non-executive directorships.

Mr R. G. F. Fielding has been appointed to the board of BERISFORD "The Ribbon People."

Mr E. G. Paver, chairman of GLASS'S GUIDE SERVICE, a Thomson Organisation subsidiary will succeed Mr L. A. Dombill, as managing director on December 31 when Mr Dombill retires.

Mr Paul Wellman has been named chairman of a new international library service company established by the John Mezzies Group. Formerly chief executive of Macmillan Inc in the UK, Mr Wellman has been appointed to head JOHN MENZIES LIBRARY SERVICES, whose divisions in Britain and Australia will supply libraries throughout the world.

Mr Ralph Gamble, who has been sales director of the FISHBURN PRINTING INK company since 1973, intends to hand over these responsibilities during 1982. Mr Paul Covell, formerly general manager at its Leeds branch has been appointed sales director. Mr Gamble will continue as a national sales director with special responsibilities for selected accounts. Mr Covell has been with Fishburn 21 years.

A new re-insurer in the international market, TOKIO REINSURANCE, will be opening a London office at 120 Fenchurch Street, in early October. Tokio

Re, a wholly-owned subsidiary of The Tokio Marine and Fire Insurance, was established in Zurich in May with Mr Edward Gumbel, a director of Willis Faber, as chairman Mr Harley M. Patrick, previously deputy general manager of the Mercantile and General Reinsurance and a past chairman of the Reinsurance Offices Association, becomes general manager. Mr Mizuto Shiozawa, an employee of the parent company in Tokyo, is appointed deputy general manager. Mr Tony M. Warrillow will be assistant general manager and underwriter. He was manager and underwriter with the NRG London Reinsurance. Mr Paul E. Merison, the non-marine underwriter, was with Leslie and Godwin Agencies. Mr David M. Slatter, financial director and company secretary of Sedgwick Payne, is the financial controller.

SYSTEME has appointed Mr Peter Beaton as a non-executive director. He is deputy chairman of British Telecom.

JOHN POLAND AND CO has appointed Mr Michael Anthony Brecknell as a director.

Mr Michael T. Cales, on completion of his term of appointment to the UK office and return to the parent company Ovako Oy, has relinquished his post as managing director of the UK subsidiary OVAKO UK but remains a director. Mr Keith A. Barnett (sales director) is appointed managing director and Mr Christopher S. Male (accountant/shipping manager) becomes company secretary to Ovako UK.

David Jones earnings up 58%

BY LACHLAN DRUMMOND IN SYDNEY

DAVID JONES, the Sydney based departmental store group which is controlled by Adelaide Steamship boosted net profits by 58 per cent in the year to July 31 despite a 23 per cent decline in the second half.

After a doubling of profits to A\$15.3m in the first six months the second half contributed A\$3.84m against A\$4.73m, bringing the full year total to A\$19.05m (US\$18.2m).

Turnover from the group's Australian operations was 19.44 per cent higher at A\$524.96m which the contribution from the U.S. departmental store and office supplies operation was 9.2 per cent ahead at US\$163.3m.

The latest result was struck after interest charges up A\$8.44m to A\$14.62m, depreciation ahead by A\$1.7m to A\$7.5m, and tax of A\$3.26m compared with A\$3.32m. There

were also extraordinary profits, down from A\$19.7m to A\$7.1m.

Although the effect of flat consumer demand was felt in the final quarter, the directors are confident of further profit growth in the current year as the group improves its market share in Australia.

The final dividend is doubled to 10 cents per share, giving an annual total ahead from 10 cents to 17.5 cents.

Another deficit for Nanyang Cotton Mill

By Our Hong Kong Correspondent

HONG KONG'S recessionary economy has dealt a double blow to Nanyang Cotton Mill. The textile company is in loss on its trading operations, while a property development on its surplus industrial land has been cancelled.

Nanyang's half year attributable loss of HK\$2.1m (U.S.\$340,000) compares with a profit of HK\$1.6m for the corresponding 1981 period. The company plunged into the red in the second half of last year, and ended 1981 with an operating loss before extraordinary gains of HK\$10.45m.

Turnover fell from a corresponding HK\$127.8m to only HK\$69m for the latest period.

Kulim to sell loss-making hotel complex in Tobago

BY WONG SULONG IN KUALA LUMPUR

KULIM, the Malaysian plantations group, is to sell its hotel business in the Caribbean island of Tobago. Agreement has been reached with Gaspar Grande, a company owned by Trinidadian investors, for the sale of the entire issued capital of 4.5m shares in Mount Irvine Bar Hotel (MIBH) for a cash consideration of TTS 1.5m (U.S.\$625,000).

A first payment of TTS 500,000 has been received, and the balance will be paid in instalments up to March 2, 1983. It was also agreed that an interest-free loan of TTS 4.8m made by Kulim to Mount Irvine Bar Hotel would be repaid in 11 monthly instalments, the first starting from April 1, 1983.

Kulim said the agreement to sell MIBH was made because of the difficulties of managing the hotel and golf complex from Malaysia, and the declining international tourist trade.

MIBH has incurred losses amounting to TTS 600,000 in the past two years. Kulim reported a 16 per cent fall in pre-tax profits in the half year ended June to 3.5m ringgit (U.S.\$1.48m).

The group's palm oil output rose by 11 per cent to 19,200 tonnes because of higher yields, but prices obtained were substantially lower, while rubber output and prices were down. The group expects an equally disappointing second half due to continued depressed commodity prices.

CONTRACTS

£4m work for A. E. Symes

WORK HAS started on a £4m building and conversion programme to provide new offices and luxury flats in Broadwick Street, Soho. Work involves conversion of a terrace of six Georgian houses into offices as well as building a seven-storey block to house offices, some light industry and flats. Developer Hazelmere Estates has awarded the contract to A. E. SYMES, part of the John Willmott Group.

WEST'S PILING has started work on a £4m contract for the installation of over 16,000 shell piles for the new Colwyn Bay A55 trunk road scheme, using some 140,000 metres of precast shells during the 44-week contract.

BUSINESS WORTH £14m has been obtained by ALCAN BUILDING MATERIALS in the Middle East. A £250,000 order for 14,000 square metres of Duraclad insulated sheet has been delivered for roofing and cladding the municipality stores at Abu Dhabi. In a further £1.3m contract,

60,000 square metres of Duraclad composite panels have been ordered for roofing and cladding the industrial port transit sheds at Yanbu Industrial City, Saudi Arabia. Finished panels are assembled and injected with foam insulation at Alcan's factory in the United Arab Emirates to reduce high shipping costs and speed up delivery. The panels will be trucked 1,000 miles across the desert from Sharjah, on the Arabian Gulf, to Yanbu on the Red Sea coast.

DUNSTABLE-BASED DCC has won two contracts to supply equipment for the Mercury alternative telecommunications network. Awarded by Cable and Wireless, on behalf of Mercury Communications, these are a £1.2m contract for the supply of "RAPAC" microwave radio system, which provides "intra-city" data communications, and a £287,000 contract for the company's CVSD voice codes, which convert analogue-input telephone conversations into digital form.

A CONTRACT worth 314m Turkish lira (£1m) for the design of a replacement for the Galata Bridge, crossing the Golden Horn in Istanbul, has been won by MOTT, HAY & ANDERSON, Croydon. It includes feasibility studies, detailed design and supervision responsibilities. The feasibility study will start immediately and provide three alternative solutions. Construction is planned to begin in December 1983 and will take about three years. Similar to the principle Mott, Hay & Anderson employed for the construction of the new London Bridge, the Galata replacement will be built alongside the existing pontoon structure, to allow uninterrupted day-to-day traffic on one of Istanbul's main arteries. It is a condition of the contract that the new bridge blends in with the surrounding ancient architecture and historic skyline.

ROHDE & SCHWARZ UK, Chessington, has been awarded a contract worth over £200,000 by Thom EMI Ferguson to supply a television transmitting system, together with test and measurement equipment. The system can provide television test signals, included Standard I (Pal), Standard B/G (Dual/ Stereo Sound) and Standard L (Secam).

DYNAPAC (UK) is supplying 10 CC-10 tandem vibratory rollers to Bath Plant Hire Services through the local Dynapac dealer Meadham Plant Co.

...the name of Renault associated with...
 ...gradually become the standard...
 ...been outstanding on the...
 ...years, the Renault 5...
 ...including the...
VOILA RENAULT.
 Monte Carlo rally and the "Tour de Corse", two of the most famous and difficult international races.
 Such success gives recognition to the ever-improving Renault technology. A success which may be summed up in two words: "Voila Renault."
 For more information, we invite you to write us at Renault, Direction Centrale de la Communication, 37 quai du Point du Jour, 92109 Boulogne-Billancourt, France.

ENERGY REVIEW

Europe's future dependence on Soviet energy

By David Tonge, Diplomatic Correspondent

AS WESTERN governments seek to end their row over the Soviet gas pipeline, it is only rarely that they focus on the strategic issue at stake—the future of East-West energy trade.

U.S. officials, scrambling for crumbs of comfort in the confusion, argue that they have forced European leaders belatedly to face this issue. Yet few of the countries involved seem fully to have thought through the implications of the major shift under way this decade as gas takes the place of oil in Soviet exports.

One telling scenario of the changes involved is that developed by Mr Ian Smart, secretary of the British Institute of Energy Economics and a man whose background includes spells with Royal Institute for International Affairs (Chatham House), the International Institute for Strategic Studies and the Foreign Office.

It is a scenario taking account of the latest available forecasts from bodies ranging from the Soviet authorities, through the major oil companies and the United Nations to the CIA. As such it is worth exploring in detail, though its assumptions, when it was developed earlier this year, meant that it tends to maximise the degree of future western dependence on the East.

In Mr Smart's view, the Europe of 1990 will bear a number of striking similarities to that of 1960. The Soviet Union will be supplying West Europe with an almost identical share of the total primary energy it uses—6.8 per cent of coal, gas and oil expressed in tons of oil equivalent, as compared with 6.6 per cent. Moscow

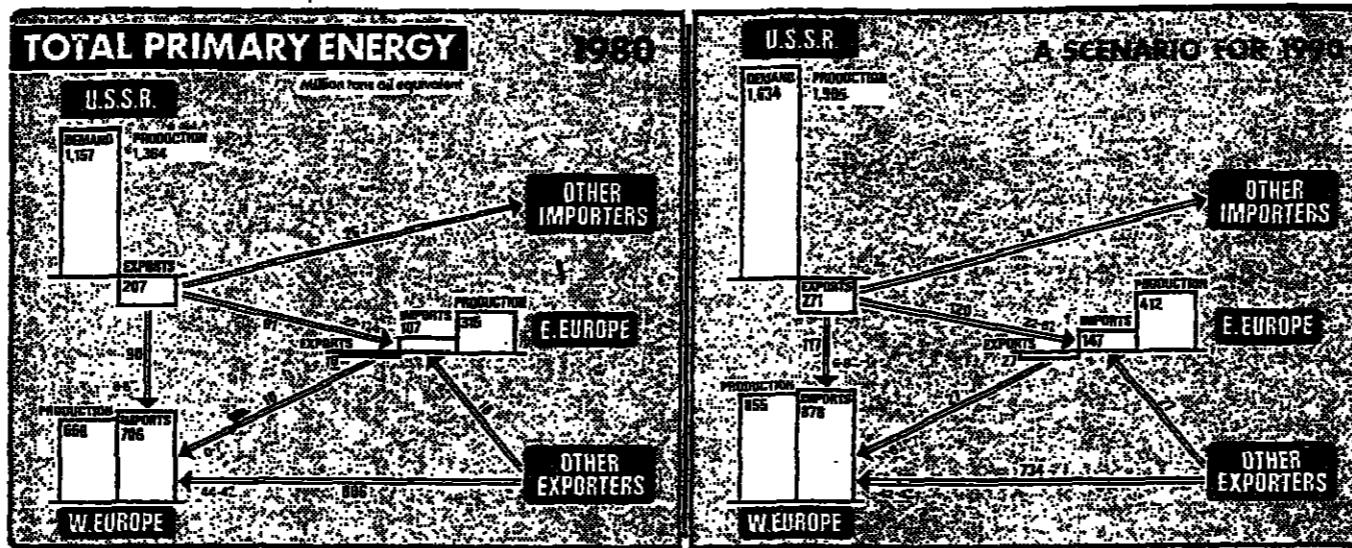
will also be supplying East Europe with a share close to today's 22.8 as against 22.1 per cent.

One might change for West Europe will be that it will obtain 1.6 per cent of its energy requirements from East Europe (all coal) compared with 0.7 per cent in 1980. West Europe's imports from other sources will be marginally down, though still equivalent to more than 42 per cent of consumption.

Breaking these aggregates down shows that similar overall country patterns will also continue. West Germany will receive around 6 per cent of its energy from the Soviet bloc, compared with around 6.6 per cent recently. For France and Italy the share is slightly higher and in Italy's case dependence will leap to 11 per cent. More striking still is the extent to which some of Europe's smaller countries will remain heavily dependent on the East—Iceland, 20 per cent in 1990; Austria, 40 per cent; and Finland, up to 75 per cent.

To this extent Mr Smart's figures largely imply more of the same. But the aggregates do, of course, disguise the increasing leverage obtained by the Russians as gas—which can only be replaced at short notice with difficulty—becomes substituted for oil.

Mr Smart's own forecasts are based on the assumption that the 3,500-mile Urengoy-Yamburg-West Europe pipeline comes closer to its originally planned capacity of 40m cubic metres per year than is at present certain: firm contracts now only exist for 21.2m cubic metres, though Italy could add 6bn-8bn cubic metres to this



Percentage figures show the share of consumption in East and West Europe.

uranium reserves have been a state secret since the 1940s. Only too often precise figures on Soviet energy developments tend to blur under the microscope. Mr Smart himself describes his ideas as a framework for discussion. But many of his assumptions fit in with mainstream thinking in the various bodies specialising in Eastern energy.

On Soviet oil production, for instance, he expects the authorities to be able to ensure that output is maintained through the 1980s at levels slightly higher than today. 645m tons as against today's figure of just over 610m tons.

The CIA, which five years ago predicted that the world's largest oil producer would have to import oil by 1985, remains pessimistic about Soviet potential. Figures released by

Dr Joseph Licari, one of its economists, at a Nato seminar last year show that the agency thought production could be down to 400m tons by 1990. But most oil companies challenge this. Two surveys of available forecasts, by Mr Jonathan Stern for various U.S. congressional committees and by the Office of Technological Assessment, both argued that the Russians should be able to maintain current output levels.

The recent surprise news that the Russians should have a new field in the Ob delta in north west Siberia on stream by 1985 producing around 40m tons per year underlines Soviet long-term oil potential.

Mr Smart also seems on firm ground when he argues that the Russians should be able to ensure that gas production grows strongly. More question-

able is whether Eastern Bloc coal production will meet targets, whether because of troubles in Poland or because of the continuing technical difficulties being faced by the Russians as they try to develop the world's first 1,500 kv DC line to transport electricity from the huge coal fields of Kazakhstan to the consuming areas in west Russia.

A further major assumption is that the West's energy needs will be increasing by around 3 per cent a year by the late 1980s. With recession continuing, demand, in other words, could be less than forecast in Mr Smart's scenario, while the potential errors in the other variables all point in the same direction—to the scenario overstating rather than understating the degree of future western dependence on the East.

These changes for the West are mirrored by perhaps even more disturbing changes for the Eastern European countries dependent on the Soviet Union. "There seems no doubt that not only is energy Eastern Europe's biggest new problem, but that the situation is likely to become worse and there is a distinct likelihood that energy will be a major constraint on economic growth in the 1980s," writes Mr Stern in his recent book *East European Energy and East-West Trade in Energy*. He goes on to warn: "Part of any resulting political unrest may therefore be directly attributable to the energy crisis in Eastern Europe."

Mr Stern argues that no major discoveries of oil or gas can be expected, that production of existing fields is static or declining, and that the area's dependence on the Soviet Union for oil and gas will continue. Romania's depleted reserves of these two fuels mean that it is likely to become ever more dependent on outside supplies. At the same time nuclear power is taking longer to introduce than hoped.

All this causes a dilemma for the Soviet authorities who have to balance the problems of East Europe and their own economy against their need for hard currency earnings from oil during a period when their surplus

is large. These last two arguments raise the question of how far the West should try to balance its deficit in fuel trade with the East with the potential surplus it has in fuel-producing equipment—technology, capital equipment and machinery for energy production, and capital itself. For the moment it is precisely on this point that President Reagan and his closest advisors are at odds with the West Europeans. This particular debate is as old as Nato itself. But the pipeline row has focused attention on the need for an answer.

Should energy problems be allowed to aggravate the situation in Eastern Europe? Poland has already shown the tensions that can erupt. With a stable share of West Europe's energy being channelled through East Europe this is a particularly crucial issue, not least at a time of leadership changes in the Kremlin.

Should more attention be being given to developing alternatives, and in particular, as the U.S. argues, to encouraging Norway to produce more gas and earlier than it wants? Studies have shown that Norway has the ability to supply greater volumes of gas than the political and economic terms are right. (This subject will be highlighted in next week's Energy Review.)

Should the Soviet Union be assisted to develop its oil and gas production? The detailed study by the Office of Technology Assessment for the U.S. Congress last November found that "western technology would be unlikely to bolster Soviet energy production without significant changes in economic policy and in the rigid centralised nature of the Soviet economic system. However, western aid could boost the amount of oil and gas which the Russians have available for export."

Parallel with this argument is a second one, of how far the West should help the East to use its energy more efficiently. Calculations carried out in the East European Economic Assessment for the U.S. Congress in 1981 show that East Europe and the Soviet Union were both using 1.5 kg of coal equivalent for each dollar GNP in 1973—three times the level of Japan and France and well above West Germany (0.6 kg), Britain (1.1 kg) and the U.S. (1.2 kg). Greater use of the price mechanism could itself have a considerable effect on reducing consumption but the scope for new energy-saving capital goods

"In foreign economic relations, politics and economics, diplomacy and commerce, industrial production and trade, are woven together."

President Leonid Brezhnev, 1976

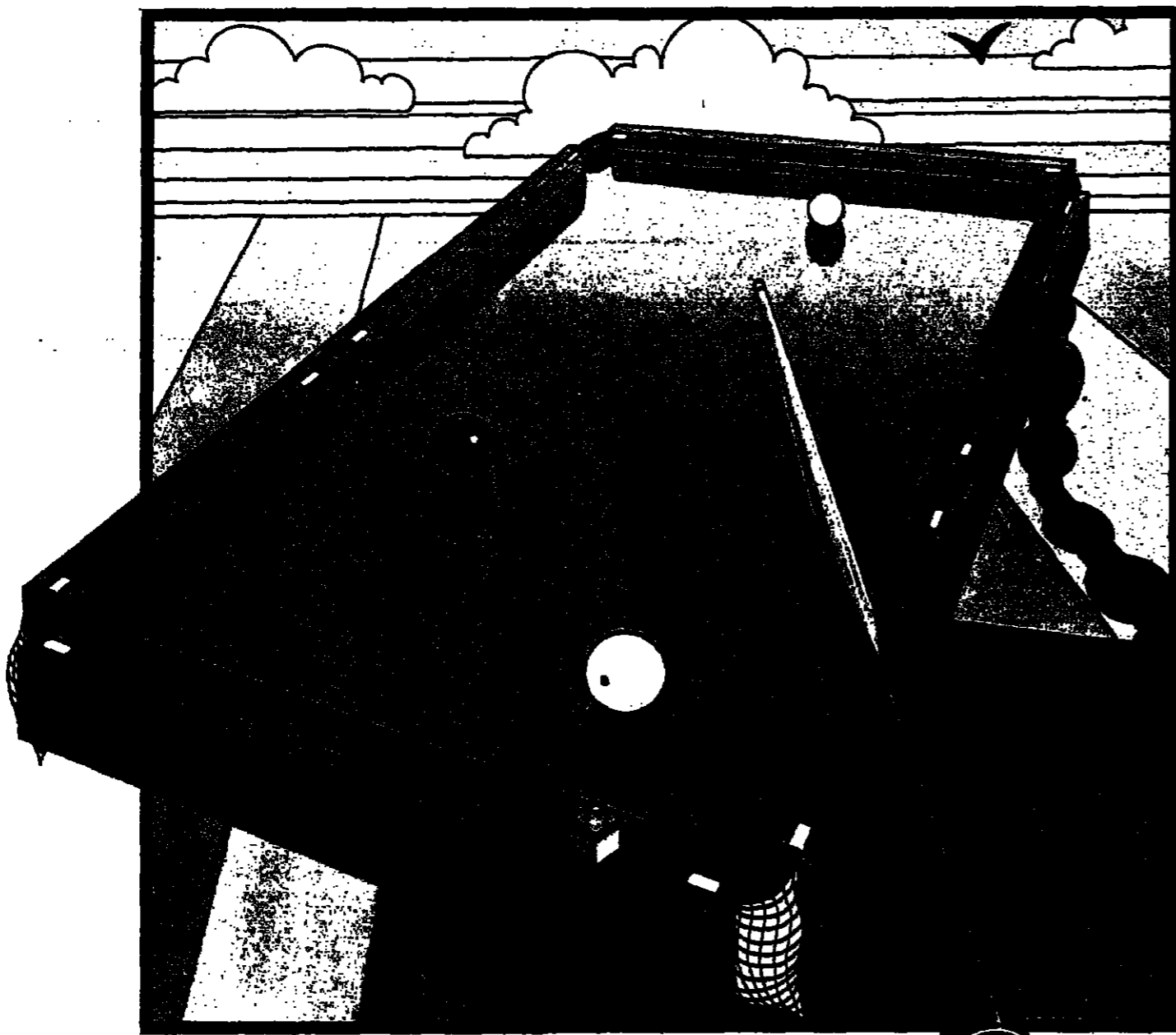
"By acquiring a stake in (a) network of relations with the West the Soviet Union may become more conscious of what it would lose by returning to confrontation."

Dr Henry Kissinger, U.S. Secretary of State, 1974

What measures should now

You solve it...

What's the highest score that can be made in two consecutive shots in this billiards match?



We solve it...how to put foreign markets in your pocket

The trouble with many promising overseas markets is that they are foreign.

Foreign in the way business is conducted: foreign in language, law and way of life.

It's a whole new business game.

But not to Creditanstalt, Austria's leading national and international bank. More particularly, to our London Branch and our associated company, Allgemeine Finanz- und Waren-Treuhand AG, AWT for short.

We have been at the centre of international trade for many years. We offer exporters financial, business and consultancy services throughout the world, with particular expertise in trade with areas where unexpected difficulties can occur.

Through AWT in Vienna, or our branch in London, you can obtain a forfait finance that takes the risk out of export contracts, improves cash flow and guarantees your selling price regardless of changes in interest rates.

We may even be able to help find new outlets for your products, with our wide ranging, up-to-the-minute knowledge of overseas markets.

And we can certainly provide sound advice on contracts; plus the finance, guarantees, and know-how to back them up.

When your next export opportunity comes up (and for the answer to the billiards problem), contact Creditanstalt.



CREDITANSTALT
Austria's leading international bank

Creditanstalt-Bankverein, Schottengasse 6, A-1010 Vienna. Telephone: (0222) 6822 - 2560. Telex: 133030.
London Branch: 29 Gresham Street, London EC2V 7AH. Telephone: 01-726 4511. Telex: 894612.

OPPORTUNITIES FOR EXPANSION IN THE U.K. BANKING SECTOR

THE CHANGES NOW TAKING PLACE IN
BRITISH BANKING — REGIONALLY AS WELL
AS LONDON — ARE SIGNIFICANT AND
FAR-REACHING

THE BANKER IN ITS OCTOBER ISSUE WILL
BE DISCUSSING:

- * **RETAIL BANKING.** Competition continues to grow for the U.K. clearing banks from Trustee Savings, Co-operative and Giro banks plus the non-banking number of foreign controlled banking subsidiaries. Is expansion being dictated by new technology? Is expanding services the key to increasing profitability in branch banking? Will Saturday opening and variable banking hours change retail banking customer loyalties?
- * **CORPORATE BANKING.** Clearing banks now have large merchant and investment banking subsidiaries in the regions as well as the City. The "Eligibility" rules have been widened to include the foreign banking community which with their international strength increases the range of skills and source of funds available for the corporate customer.
- * **WHOLESALE AND INTERNATIONAL.** London is the wholesale banking centre but is also Europe's leading Euro-market centre. Sterling as well as currency lending by foreign banks operating in the UK is now a significant share of the total. The expansion of the UK banks abroad in both lending and overseas branch networks and subsidiaries.
- * **BANKING IN SCOTLAND.** The retail banking revolution and how Scottish banks have drawn ahead in the automated banking race. The special role of Edinburgh's investment fund management skills.
- * **BANKING IN THE U.K.'S OFFSHORE ISLANDS.** The structure of banking and trust business in the context of the special constitution, legal and tax status of: THE CHANNEL ISLANDS THE ISLE OF MAN

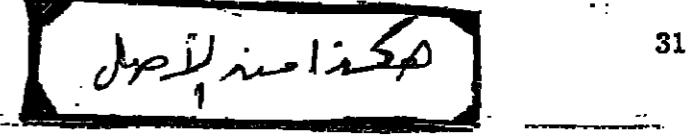
An examination of the services offered by local and international banks.

INSTITUTIONS COMMITTED TO THE EXPANSION OF THE UK BANKING SECTOR WHO WOULD LIKE TO ADVERTISE IN THIS IMPORTANT STUDY TO BE PUBLISHED IN THE OCTOBER ISSUE OF THE BANKER SHOULD CONTACT:

The Marketing Director
THE BANKER
MINSTER HOUSE, ARTHUR STREET, LONDON EC4A
Tel: 01 623 1211. Telex: 8814734

MON OIL
PRICES
MARKET

سكواتر



Move to hold back rubber sales

THAILAND'S GOVERNMENT is to ask its rubber exporters to build up stocks of natural rubber in order to slow down release of exports on to the already oversupplied world market.

At an International Natural Rubber Organisation meeting last week, Thailand also agreed that no stimulants should be used by farmers to speed up latex production and that new rubber strains should be used to replace old rubber trees.

A suggestion by Malaysia that Thailand should cut its output by 47,000 tonnes a year has been rejected because it would affect the livelihoods of 800,000 small farmers and run counter to the Thai Government policy of replacing tapioca with rubber.

CHINA today is issuing gold bullion coins for sale abroad. The coins, containing 99.9 per cent pure gold, are in 1 ounce, 1/2 oz, 1/4 oz and 1/10 oz sizes.

U.S. SCIENTISTS have gone to Mexico to try to determine the extent of a recently discovered bacterial disease on citrus trees. Imports of all Mexican citrus into the U.S. have been banned until more is known of the disease and its distribution in Mexico.

COTTON use is expected to rise by 3 per cent to 4 per cent in the 1982-83 season, as lower prices make cotton more competitive with other fibres, a U.S. consultant has said.

ESTIMATE of Soviet grain imports for the year to July 1983 have been reduced to 44m tonnes from 46m estimated last month by the U.S. Department of Agriculture.

BAN on the importation into Kenya of British sheep has been lifted and a consignment of UK livestock bound for Kenya under a UK aid programme will include six rams to introduce new bloodlines into Kenyan flocks.

Denmark delays EEC fish talks

By Hilary Barnes in Copenhagen

ATTEMPTS by the EEC Fishery Ministers to reach agreement on a common fisheries policy had to be postponed yesterday after Denmark, the dissenting member, requested a two-week delay.

Denmark was able to use its position as current EEC president and therefore chairman of the fisheries meeting that was due to be held on September 21, to delay the ministerial meeting till October 4.

According to the Danes, the reason for the delay is the need for their new fisheries minister, Mr Hansning Grove, to acquaint himself with all the problems involved.

But there seems no doubt now that Intex, which was originally scheduled to start trading in the spring, will go ahead and possibly revolutionise the whole structure of futures trading.

Under the Intex system, trading will be carried out entirely by computers which will match all incoming purchases and sales.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

Philippines bans copra exports

By Our Manila Correspondent

THE PHILIPPINE government yesterday banned the export of copra indefinitely due to a shortage in domestic supply of coconuts.

The ban was ordered after the Philippine Coconut Authority informed the government that copra production is expected to drop by 30 per cent this year because of devastating typhoons which hit coconut-producing areas of the country.

The authority said the shortfall will affect adversely the operations of oil mills which were asked to increase crushing for the government's coconut programme.

Philippine copra is exported to western Europe duty free while coconut oil is taxed at 7 per cent for edible use and 21 per cent for industrial use.

As a result of the tax differential, oil from the exported copra competes with the oil produced and exported from the Philippines.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

SABAH

By David Dodwell recently in Sabah

SALES by the Sabah's recently established cattle importing organisation Dess Cattle have leapt to three times the normal level recently, bringing into the limelight the state's ambitious plans to boost supplies of beef.

This has involved purchase over the past four years, of three cattle ranches in Australia's Northern Territories, and big investments inside Sabah itself in cattle fattening, slaughter and dairy farming.

As a muslim state, Sabah has traditionally been a substantial market for beef products. But in recent years, with a growing population and increasing affluence, local supplies of beef have begun to lag far behind demand.

So in 1977, Datuk Harris Salleh, the state's chief minister, bought Sabah's first Australian cattle ranch, about 500,000 acres in size, in Camfield in Australia's Northern Territories.

Since then, two further ranches have been purchased—in 1981 700,000 acres in Legune, Borneo, is contemplating a similar purchase.

Objections inside Australia to such foreign "incursions" seem remarkably few, perhaps because the purchases have injected fresh life into an impoverished area of the country.

The Northern Territories, with about 700,000 inhabitants, are among the most hard-pressed areas of Australia. A large part of the state is desert, and further large tracts have been set aside as Aboriginal reserve.

Such is the quality of Sabahan husbandry—though to be fair Australian cattle ranchers man the newly established tracts—that Camfield is now considered one of the best-attended properties in the state.

Australian boost for beef

By David Dodwell recently in Sabah

Objections inside Australia to such foreign "incursions" seem remarkably few, perhaps because the purchases have injected fresh life into an impoverished area of the country.

The Northern Territories, with about 700,000 inhabitants, are among the most hard-pressed areas of Australia. A large part of the state is desert, and further large tracts have been set aside as Aboriginal reserve.

Such is the quality of Sabahan husbandry—though to be fair Australian cattle ranchers man the newly established tracts—that Camfield is now considered one of the best-attended properties in the state.

Since then, two further ranches have been purchased—in 1981 700,000 acres in Legune, Borneo, is contemplating a similar purchase.

Objections inside Australia to such foreign "incursions" seem remarkably few, perhaps because the purchases have injected fresh life into an impoverished area of the country.

The Northern Territories, with about 700,000 inhabitants, are among the most hard-pressed areas of Australia. A large part of the state is desert, and further large tracts have been set aside as Aboriginal reserve.

Such is the quality of Sabahan husbandry—though to be fair Australian cattle ranchers man the newly established tracts—that Camfield is now considered one of the best-attended properties in the state.

Since then, two further ranches have been purchased—in 1981 700,000 acres in Legune, Borneo, is contemplating a similar purchase.

Sudan aims for sugar self-sufficiency

By Rick Wells, recently in Khartoum

KENANA, Sudan's \$1bn sugar estate has adopted a five-point strategy for the coming season in bid to make the company more competitive.

The contrast estate began producing sugar in February 1980, two years behind the original schedule, with estimated operating costs when at full production of \$470 per tonne, among the highest in the world.

Perhaps the most dramatic of the intended changes is the decision to cut more cane by hand, in an attempt to reduce costs on machinery and spare parts, giving a net saving on foreign exchange.

Mr Osman Nazir, company managing director, emphasised that this move would not be at the expense of efficiency. "We have all the machinery if we had when it is required," he said.

about \$800,000 in chemical and manure per acre. Some 1.7m tonnes of raw cane were processed from the 52,000 acres that were planted (around 50 per cent of the potential area).

Next season a substantially larger crop from between 73,000 and 75,000 acres will be processed during the six-month harvest period. Production is expected to reach 250,000 tonnes, although Mr Nazir is waiting until next month before making his final prediction.

From its second commercial crop, which ended in May this year, Kenana produced 166,000 tonnes of white sugar. Although not quite refinery grade, the double boiling process used to convert the 175,000 tonnes of raw sugar gave an additional 2,000 tonnes of white sugar and saved

The five points of the new strategy are: more cane to be hand cut; a realignment of the transport system from field to factory to improve co-ordination of supply of cane; a manpower redundancy programme and a complete re-evaluation of manpower requirements.

Mr Nazir said that the programme to ensure adequate distribution of the by-product molasses, which includes a two-year contract with the British firm Uniter Molasses and an evaluation of different products from processing, such as liquid sugar, for local industries.

A continual introduction of new (non-flowering and disease resistant) cane varieties to increase tonnage and sugar yield of the cane.

New Year start for electronic futures

By John Edwards, Commodities Editor

STARTING DATE for the world's first electronic futures market is now expected to be early next year, Julius W. Peake, president of Intex—the International Futures Exchange (Bermuda)—said yesterday that although they had publicly announced plans to open this autumn, they were determined not to start trading until everything was ready.

With member companies already having to deal with the opening of the London International Financial Futures Exchange (Liffe) and options trading in the U.S., it would make good sense to delay the introduction of Intex until after Christmas.

But there seems no doubt now that Intex, which was originally scheduled to start trading in the spring, will go ahead and possibly revolutionise the whole structure of futures trading.

Under the Intex system, trading will be carried out entirely by computers which will match all incoming purchases and sales.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

WASHINGTON—The U.S. Agriculture Department (USDA) has again raised its forecasts of carryover stocks of maize, wheat and soybeans.

LONDON OIL

Table with columns for Crude Oil, Spot Prices, and various oil grades. Includes items like Arabian Light, Brent, and WTI.

GAS OIL FUTURES

Table showing gas oil futures prices for various months and grades.

GOLD MARKETS

Gold rose \$14 to \$453.454 in the London bullion market yesterday. The metal opened firm at \$449.450, reflecting the weakness of the dollar, and was fixed at \$452 in the morning.

Table showing gold prices in London and other markets, including gold bars and coins.

BRITISH COMMODITY MARKETS

Table listing prices for various commodities like copper, silver, tin, and lead.

Table listing prices for various commodities like zinc, tin, and lead.

Table listing prices for various commodities like tin, zinc, and lead.

Table listing prices for various commodities like tin, zinc, and lead.

Table listing prices for various commodities like tin, zinc, and lead.

COFFEE

Table showing coffee prices for various grades and origins.

Table showing coffee prices for various grades and origins.

Table showing coffee prices for various grades and origins.

Table showing coffee prices for various grades and origins.

Table showing coffee prices for various grades and origins.

SOYABEAN MEAL

Table showing soyabean meal prices for various grades.

Table showing soyabean meal prices for various grades.

Table showing soyabean meal prices for various grades.

Table showing soyabean meal prices for various grades.

Table showing soyabean meal prices for various grades.

WHEAT

Table showing wheat prices for various grades and origins.

Table showing wheat prices for various grades and origins.

Table showing wheat prices for various grades and origins.

Table showing wheat prices for various grades and origins.

Table showing wheat prices for various grades and origins.

INDICES

Table showing various financial indices and their values.

Table showing various financial indices and their values.

Table showing various financial indices and their values.

Table showing various financial indices and their values.

Table showing various financial indices and their values.

AMERICAN MARKETS

Table showing American market prices for various commodities.

Table showing American market prices for various commodities.

Table showing American market prices for various commodities.

Table showing American market prices for various commodities.

Table showing American market prices for various commodities.

CLASSIFIED ADVERTISEMENT RATES. Table showing rates for different types of advertisements and their durations.

EUROPEAN MARKETS. Table showing European market prices for various commodities like wheat, sugar, and oil.

Down 3 by mid session

NEW YORK Stock market data including various stock prices and indices.

Stock market data for various international regions including Canada, Denmark, Holland, Australia, Japan, Germany, France, Belgium, Norway, Austria, Italy, Greece, Portugal, Spain, Singapore, Hong Kong, South Africa, and Switzerland.

SELECTED ISSUES made gains

Domestic issues made gains of a point or more as the market advanced moderately in brisk trading.

The Dow Jones Industrial Average rose more than three points to 922.00 at mid-session, while advances topped declines by more than a two-to-one margin.

Turnover exceeded 45m shares. Much of the gain was tied to declining interest rates.

Among Golds, Carlin Mines gained 1/2 to \$31.50, Giant Yellowknife rose 1/4 to \$31.10, and Kerr Addison Mines increased 1/4 to \$31.60.

Montréal stocks were higher as the Composite Index rose 2.10 points to 277.60 on volume of 327,420 shares.

The Vancouver Exchange index was up 0.74 to 888.78 on volume of 4,741,993 shares.

Shares closed steady in quiet trading with investors adopting a wait-and-see attitude, brokers said.

Prices opened higher in line with Wall Street's overnight performance, but fluctuated within a narrow range.

Leaders were mostly unchanged except Jardine Matheson which closed up 30 cents at HK\$16.80.

SELEKED ISSUES made gains

Domestic issues made gains of a point or more as the market advanced moderately in brisk trading.

The Dow Jones Industrial Average rose more than three points to 922.00 at mid-session, while advances topped declines by more than a two-to-one margin.

Turnover exceeded 45m shares. Much of the gain was tied to declining interest rates.

Among Golds, Carlin Mines gained 1/2 to \$31.50, Giant Yellowknife rose 1/4 to \$31.10, and Kerr Addison Mines increased 1/4 to \$31.60.

Montréal stocks were higher as the Composite Index rose 2.10 points to 277.60 on volume of 327,420 shares.

The Vancouver Exchange index was up 0.74 to 888.78 on volume of 4,741,993 shares.

Shares closed steady in quiet trading with investors adopting a wait-and-see attitude, brokers said.

Prices opened higher in line with Wall Street's overnight performance, but fluctuated within a narrow range.

Leaders were mostly unchanged except Jardine Matheson which closed up 30 cents at HK\$16.80.

SELEKED ISSUES made gains

Domestic issues made gains of a point or more as the market advanced moderately in brisk trading.

The Dow Jones Industrial Average rose more than three points to 922.00 at mid-session, while advances topped declines by more than a two-to-one margin.

Turnover exceeded 45m shares. Much of the gain was tied to declining interest rates.

Among Golds, Carlin Mines gained 1/2 to \$31.50, Giant Yellowknife rose 1/4 to \$31.10, and Kerr Addison Mines increased 1/4 to \$31.60.

Montréal stocks were higher as the Composite Index rose 2.10 points to 277.60 on volume of 327,420 shares.

The Vancouver Exchange index was up 0.74 to 888.78 on volume of 4,741,993 shares.

Shares closed steady in quiet trading with investors adopting a wait-and-see attitude, brokers said.

Prices opened higher in line with Wall Street's overnight performance, but fluctuated within a narrow range.

Leaders were mostly unchanged except Jardine Matheson which closed up 30 cents at HK\$16.80.

SELEKED ISSUES made gains

Domestic issues made gains of a point or more as the market advanced moderately in brisk trading.

The Dow Jones Industrial Average rose more than three points to 922.00 at mid-session, while advances topped declines by more than a two-to-one margin.

Turnover exceeded 45m shares. Much of the gain was tied to declining interest rates.

Among Golds, Carlin Mines gained 1/2 to \$31.50, Giant Yellowknife rose 1/4 to \$31.10, and Kerr Addison Mines increased 1/4 to \$31.60.

Montréal stocks were higher as the Composite Index rose 2.10 points to 277.60 on volume of 327,420 shares.

The Vancouver Exchange index was up 0.74 to 888.78 on volume of 4,741,993 shares.

Shares closed steady in quiet trading with investors adopting a wait-and-see attitude, brokers said.

Prices opened higher in line with Wall Street's overnight performance, but fluctuated within a narrow range.

Leaders were mostly unchanged except Jardine Matheson which closed up 30 cents at HK\$16.80.

LONDON STOCK EXCHANGE

U.S. move to ease credit conditions brings enthusiastic response in London and equity index rises 14 points

Account Dealing Dates. Option. First Declared Last Account Dealing Home Dealings Day Sept 17 Sept 17 Sept 20 Sept 30 Oct 1 Oct 11 Oct 4 Oct 15 Oct 25

with its biggest single-day rise since August 18 with an advance of 14.1 to 586.7 after displaying gains of 8.9 at 10 am and 8.3 at 11 am.

Engineering leaders joined in the general advance, with GKN noteworthy for a gain of 7 to 140p ahead of tomorrow's half-year figures.

FINANCIAL TIMES STOCK INDICES. Table with columns for Date, Index, and % Change. Includes Government Secs, Fixed Interest, Industrial Ord., etc.

Stores close at best. Confirmation of the continuing recovery in retail sales and subsequent hopes of a pre-Christmas shopping boom following the recent relaxation of credit controls.

Tricentral ex Rights. Reflecting the firm overnight performance on Wall Street, Oils opened higher but drifted back on lack of support before hardening again in the late dealings.

FT-ACTUARIES SHARE INDICES. Table with columns for Index, % Change, and Date. Includes EQUITY GROUPS & SUB-SECTIONS and FIXED INTEREST.

NEW HIGHS AND LOWS FOR 1982. Table with columns for Company Name, High, Low, and Date. Includes various industrial and financial companies.

BUSINESS INFORMATION FOR SALE. Advertisement for Financial Times Business Information Service, featuring a large graphic and descriptive text.

RECENT ISSUES

EQUITIES. Table listing recent issues with columns for Issue Price, Amount, and Stock Name.

FIXED INTEREST STOCKS. Table listing fixed interest stocks with columns for Issue Price, Amount, and Stock Name.

"RIGHTS" OFFERS. Table listing rights offers with columns for Issue Price, Amount, and Stock Name.

Non-announced date usually last day for dealing free of stamp duty. Figures based on prospectus estimates.

ACTIVE STOCKS. Table listing active stocks with columns for Stock Name, Closing Price, and % Change.

MONDAY'S ACTIVE STOCKS. Table listing Monday's active stocks with columns for Stock Name, Closing Price, and % Change.

RISES AND FALLS YESTERDAY. Table listing rises and falls from the previous day.

Companies and Markets CURRENCIES and MONEY

\$ and £ weaker

Falling Eurodollar interest rates depressed the dollar in quiet foreign exchange trading. Fears of a very large rise in this Friday's U.S. M1 money supply, after last week's rather disappointing figure, prevented any determining movement out of the dollar, but yesterday's downward drift was encouraged by the intervention of the Federal Reserve to add liquidity to the U.S. banking system on Monday.

Sterling was slightly firmer against the dollar, but the fall in the pound's trade-weighted index reflected its decline against other major currencies. DOLLAR — Trade-weighted index (Bank of England) 122.5 against 123.1 on Monday, and 113.7 six months ago. Three-month Treasury bills 7.28 per cent (12.73 per cent six months ago). Annual inflation rate 6.5 per cent (7.1 per cent previous month) — The dollar fell to DM 2.5090 from DM 2.5210 against the D-mark; to FFR 7.0223 from FFR 7.13 in terms of the French franc; to SwFr 2.14 from SwFr 2.15 against the Swiss franc; and to ¥262.90 from ¥264.20 against the Japanese yen.

STERLING — Trade-weighted index 91.6 against 91.6 at noon, 91.7 at the opening, 91.7 at the previous close, and 90.1 six months ago. Three-month interbank 11 per cent (13.1 per cent six months ago). Annual inflation 8.7 per cent (9.2 per cent previous month) — The pound opened at \$1.7100-1.7110, and touched a peak of \$1.7120-1.7130 in the morning, before falling to \$1.7050-1.7065 in the afternoon, and closing at \$1.7055-1.7065, a rise of 30 points on the day. Sterling fell to DM 2.5090 from DM 2.5210; to FFR 7.0223 from FFR 7.13; to SwFr 2.14 from SwFr 2.15; and to ¥262.90 from ¥264.20.

D-MARK — EMS member index 125.2 against 124.9 on Monday, and 122.4 six months ago. Three-month interbank 9.90 per cent

six months ago). Annual inflation 5.1 per cent (5.6 per cent previous month) — The D-mark recorded mixed changes at the Frankfurt fixing in featureless trading. The Bundesbank did not intervene when the dollar eased to DM 2.5120 from DM 2.5212. Sterling fell to DM 4.9890 from DM 4.9850, but the Swiss franc rose to DM 1.1720 from DM 1.1712. Within the EMS the French franc fell to DM 35.29 per 100 francs from DM 35.325.

FRENCH FRANC — EMS member (third weakest). Trade-weighted index 72.5 against 72.4 on Monday, and 70.6 six months ago. Three-month interbank 14.7 per cent (unchanged from six months ago). Annual inflation 11.9 per cent (12.5 per cent previous month) — The Bank of France intervened to support the French franc against the D-mark as the franc threatened to fall below its midpoint in the EMS against the German currency. The D-mark rose to FFR 7.1145 from FFR 7.0223 at the Paris fixing, while the Dutch guilder edged to FFR 2.5870 from FFR 2.5827. The dollar fell to FFR 7.1145 from Monday's record fixing of FFR 7.1340, and sterling declined to FFR 12.16 from FFR 12.1650.

DUTCH GUILDER — EMS member (third strongest). Trade-weighted index 117.1 against 116.9 on Monday, and 113.1 six months ago. Annual inflation 5.5 per cent (6.1 per cent previous month). The guilder was very firm at the Amsterdam fixing, improving against the dollar, sterling, the Swiss franc and most members of the EMS. The dollar fell to Fl 2.7605 from Fl 2.7625; sterling to Fl 4.6980 from Fl 4.7030; and the Swiss franc to Fl 2.2638 from Fl 2.2638. Within the EMS the D-mark fell to Fl 1.0956 from Fl 1.09625, and the French franc to Fl 38.62 per 100 francs from Fl 38.71.

Swiss Franc — EMS member index 125.2 against 124.9 on Monday, and 122.4 six months ago. Three-month interbank 9.90 per cent

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, % change, % Three p.m. months, % %.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, % change, % Three p.m. months, % %.

CURRENCY MOVEMENTS

Table with columns: Bank of England, Morgan Guaranty, % change, Special Drawing Rights, European Currency Unit.

CURRENCY RATES

Table with columns: Bank of England, Morgan Guaranty, % change, Special Drawing Rights, European Currency Unit.

OTHER CURRENCIES

Table with columns: Argentina, Australia, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, Sweden, Switzerland, Taiwan, Thailand, Turkey, Yugoslavia, Zaire.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Central rate, % change, % change, Divergence.

EXCHANGE CROSS RATES

Table with columns: Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 14)

Table with columns: 3 months U.S. dollars, 6 month U.S. dollars.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Starting, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Krone.

SDR linked deposits: one month 11.5-12%, per cent; three months 11.5-12%, per cent; six months 12-12.5%, per cent; one year 12.5-13%, per cent. ECU linked deposits: one month 11.5-12%, per cent; three months 11.5-12%, per cent; six months 12-12.5%, per cent; one year 12.5-13%, per cent.

MONEY MARKETS

UK rates little changed

UK clearing bank base lending rate 10.1 per cent (since August 30 and 31). UK interest rates showed little overall change yesterday. U.S. rates were generally easier but the undertone remained firm with the Bank of England leaving its dealing rates unchanged, the market seemed content to await further developments. In the interbank market overnight money opened at 10.11 per cent where it stayed for much of the morning. It then eased to 10.1 per cent later in the day before finishing at 10.1 per cent.

The Bank forecast a shortage of £500m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills — £397m and the unwinding of previous sale and repurchase agreements — £235m. These were partly offset by Exchequer transactions of £180m. The Bank gave assistance in the morning of £301m, comprising purchases of

£30m of eligible bank bills in band 1 (up to 14 days) at 10.1 per cent and £133m in band 2 (15-33 days) at 10.1 per cent. In band 3 (34-63 days) bought £50m of 14-day bills at 10.1 per cent and £44m of eligible bank bills at 10.1 per cent and in band 4 (64-91 days) £1m of Treasury bills and £27m of eligible bank bills (64-91 days) all at 10.1 per cent.

Further assistance was given in the afternoon of £140m, making a grand total of £141m. The afternoon help comprised purchases of £66m of eligible bank bills in band 2 at 10.1 per cent and in band 3 at 10.1 per cent. Treasury bills, £2m of local authority bills and £24m of eligible bank bills all at 10.1 per cent. In band 4 it bought £30m of Treasury bills and £12m of eligible bank bills at 10.1 per cent.

In Frankfurt the Bundesbank accepted DM 5.3bn of lenders at 7.75 per cent for its latest repurchase agreement. This was

MONEY RATES

LONDON MONEY RATES

Table with columns: Starting, Certificate, Interbank, Local Authority, Finance House, Company, Discount, Treasury, Eligible, Prime.

EURO-CURRENCY INTEREST RATES

Table with columns: Starting, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Krone.

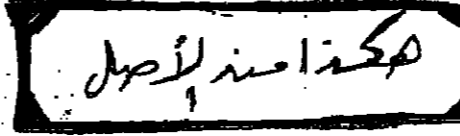
EGD Fixed Rate Starting Export Finance. Local authorities and finance houses seven days' notice, others seven days' period. Long-term local authority mortgage rates, normally three years 10% per cent, four years 11% per cent, five years 11.5% per cent. Bank bills rates in table are buying rates for prime papers. Buying rates for four-month bank bills 10% per cent, four months trade bills 10% per cent, three months 10% per cent. Approximate selling rates for one month Treasury bills 10% per cent, two months 10% per cent, three months 10% per cent, six months 10% per cent, one year 10% per cent, two years 10% per cent, three years 10% per cent, four years 10% per cent, five years 10% per cent, six years 10% per cent, seven years 10% per cent, eight years 10% per cent, nine years 10% per cent, ten years 10% per cent.

London and Scottish Clearing Bank Rates for lending 10% per cent. London Clearing Bank Deposit 8.5002 per cent. Certificates of Tax Deposit (Bank 2) 7.75 per cent from August 14. Deposits Withdrawal for bank 3 per cent.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Large table listing various trust companies and their authorized trusts, including Abbey Unit Tr. Mgrs., A & A Trust, and many others.



INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCES

Table listing various insurance companies and their services, including Abbey Life Assurance Co. Ltd., Amey Life Assurance Ltd., and others.

Table listing insurance companies such as Life Assur. Co. of Pennsylvania, Lloyd's Life Assurance, and others.

Table listing insurance companies including Norwich Union Insurance Group, Phoenix Life Assurance Co. Ltd., and others.

Table listing insurance companies such as Sun Life of Canada, Standard Life Assurance Company, and others.

Table listing insurance companies including Bishopsgate Commodity Sec. Ltd., British Midland Investment Mgmt. Ltd., and others.

Table listing insurance companies such as BNP Paribas, BNP Paribas Insurance Co. Ltd., and others.

Table listing insurance companies including BNP Paribas, BNP Paribas Insurance Co. Ltd., and others.

Table listing insurance companies such as BNP Paribas, BNP Paribas Insurance Co. Ltd., and others.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds, including Abbey Fund Management Limited, BNP Paribas, and others.

Table listing offshore and overseas managed funds, including BNP Paribas, BNP Paribas Insurance Co. Ltd., and others.

Table listing offshore and overseas managed funds, including BNP Paribas, BNP Paribas Insurance Co. Ltd., and others.

Table listing offshore and overseas managed funds, including BNP Paribas, BNP Paribas Insurance Co. Ltd., and others.

Notes and disclaimers regarding the information provided in the tables.

Handwritten text at the top center of the page.

INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Airways, British Petroleum, and British Telecom.

LEISURE—Continued

Table of leisure stock prices including companies like British Airways, British Petroleum, and British Telecom.

PROPERTY—Continued

Table of property stock prices including companies like British Airways, British Petroleum, and British Telecom.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Airways, British Petroleum, and British Telecom.

OIL AND GAS—Continued

Table of oil and gas stock prices including companies like British Airways, British Petroleum, and British Telecom.

MINES—Continued

Table of mines stock prices including companies like British Airways, British Petroleum, and British Telecom.

Advertisement for DAIWA SECURITIES, International Financier, featuring a logo and contact information.

MOTORS, AIRCRAFT TRADES

Table of motors and aircraft trades including sub-sections for Motors and Cycles, Commercial Vehicles, and Components.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stock prices.

SHIPPING

Table of shipping stock prices.

SHOES AND LEATHER

Table of shoes and leather stock prices.

SOUTH AFRICANS

Table of South African stock prices.

TEXTILES

Table of textiles stock prices.

TOBACCO

Table of tobacco stock prices.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices.

OVERSEAS TRADERS

Table of overseas traders stock prices.

PLANTATIONS

Table of plantation stock prices.

NOTES

Notes section containing various financial notices and announcements.

MINES

Table of mines stock prices.

MISCELLANEOUS

Table of miscellaneous stock prices.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks.

INSURANCES

Table of insurance stock prices.

PROPERTY

Table of property stock prices.

INVESTMENT TRUSTS

Table of investment trusts.

FINANCE, LAND, ETC.

Table of finance, land, etc. stock prices.

OIL AND GAS

Table of oil and gas stock prices.

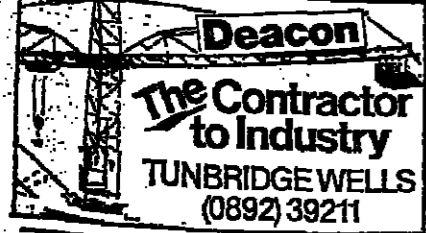
FINANCE

Table of finance stock prices.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices.

Skelmersdale For full details on land building and grants available, phone: Skelmersdale (0695) 32123.



AGREEMENT CLOSE ON FOREIGN DEBT RESCHEDULING

Poland hit by fresh rioting

DOZENS of stone-throwing demonstrators were arrested and four people were injured in protests in four Polish cities on Monday, to mark the tenth month of martial law.

Mr Jerzy Urban, the Polish Government spokesman, said riot police had used tear-gas and water-cannon to disperse a gathering in the Nowa Huta industrial suburb of Krakow where a nucleus of 200 to 300 demonstrators staged workers had been joined by groups of young people. He said incidents "not of a dramatic character" had also occurred in Wroclaw, Szczecin and Lodz.

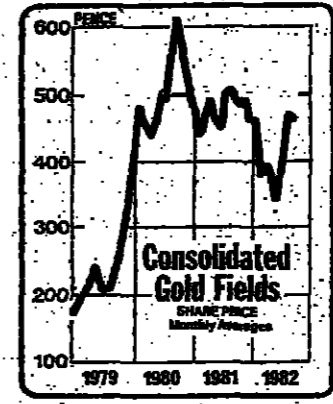
Poland to follow closely Soviet guidance. The gravity of the talks was underlined by the nine-page final communiqué which stated that the talks had taken place "in a cordial atmosphere". This is not the usual way to describe such meetings and implied that Mr Olasowski had much to say which did not please his Soviet host.

Volkswagen of U.S. may sell new plant

By Stewart Fleming in Frankfurt. VOLKSWAGEN of America, U.S. subsidiary of West Germany's largest motor manufacturer, has been discussing the sale of its embryonic assembly plant at Sterling Heights, Michigan.

THE LEX COLUMN Spending in style at Gold Fields

Consolidated Gold Fields has a few things to teach timid composite insurance companies about how to spend rights issue proceeds. In the night to June, it paid out £250m on acquisitions, roughly half of it on Newmont Mining, and topped that up to a total cash outflow of £271m through the capital account.



creates a nasty dip in the group's smoothly rising 10-year bar chart, and the shares responded by falling a further 21 to 367p. At that level they yield a prospective 10 per cent over the current squeeze on banking profits.

Taverne likely to fight by-election Council spending sanctions sought

MR DICK TAVERNE looks likely to re-emerge on the national political scene as the Social Democratic Party's candidate for the forthcoming by-election in Peckham, south London.

TREASURY ministers are seeking Cabinet backing for direct action against individual councils which break government targets on spending. They want to be able to impose absolute rate rises and spending controls on what they see as the handful of culprits responsible for the lion's share of the overspend.

Mr Taverne has taken a big personal risk in seeking to stand for this seat. He is the best-known SDP leader outside Parliament and might have been expected to be chosen for obviously attractive seats.

Weather

UK TODAY Temperatures near normal; warmer in central and southern England. S. and E. England, Midlands, S. Wales. Mostly dry. Sunny spells inland as fog disperses.

Oil market gloom threatens BNOC profits

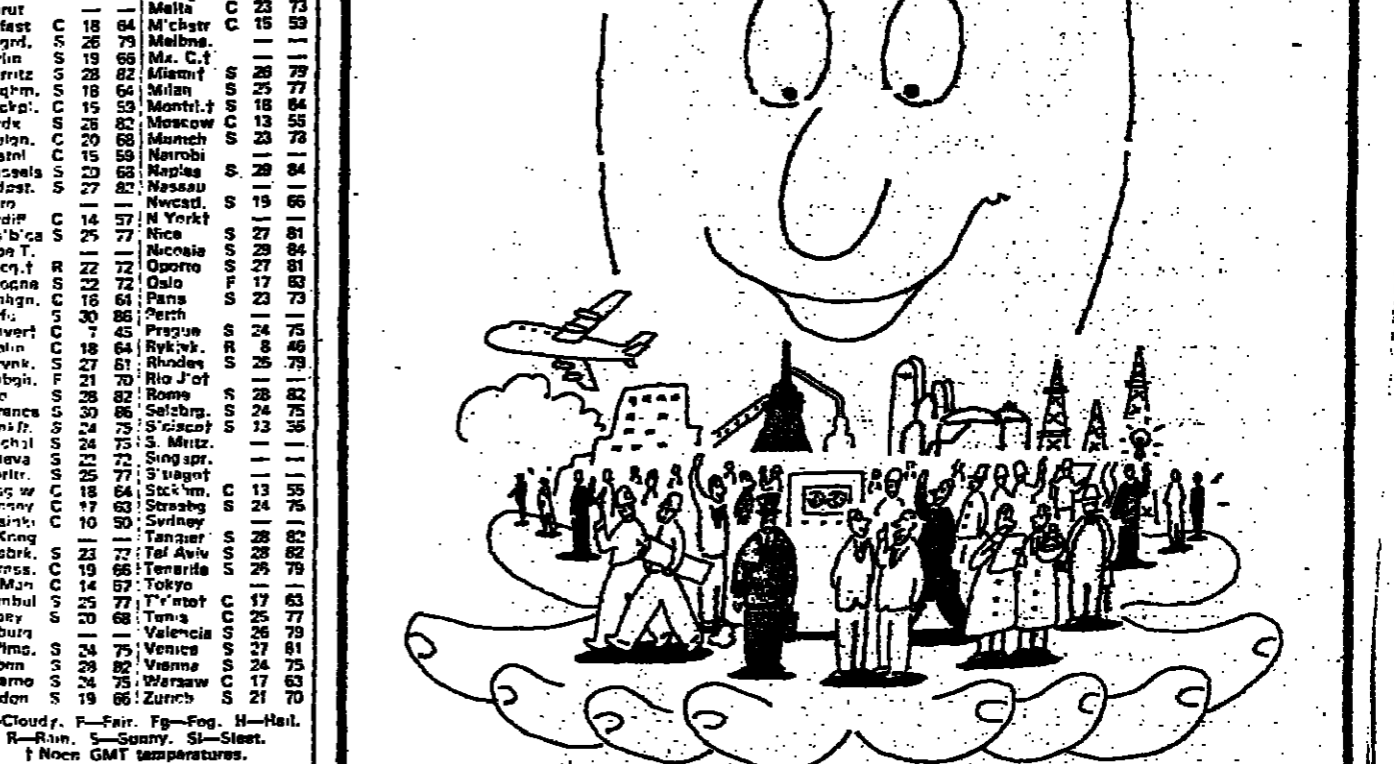
BRITISH National Oil Corporation, the state-owned oil trading company, is expecting a significant drop in profits this year.

It is understood that BNOC officials have been emphasising within the oil industry that in spite of being retained in state hands, it intends to act as a commercial undertaking. It may even expand its third-party trading business.

Continued from Page 1 Industrial production that was the lowest for 15 years. Manufacturing output is still 17 per cent below its last peak in the second quarter of 1979.

Continued from Page 1 Argentina stood to be in favour of lifting sanctions on technical and financial grounds.

People come to Tokai because Tokai takes charge.



The word is getting around that Tokai Bank is the place to go for expert international financial assistance. And it's as much a matter of attitude as it is of know-how.

Continued from Page 1 Commercial Union severe winter weather at the beginning of this year.

Continued from Page 1 Operations which will remain in London include the general management of CU's international division, the UK general management and those underwriters and other personnel who have an "overriding need" to remain in the capital.

